

April 24, 1991

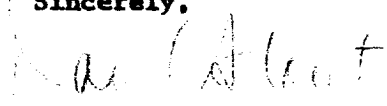
Southland Royalty Company
21 Desta Drive
Midland, TX 79705

Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back (APD)
for well Huber 17 Federal No. 3, Lease No. NM-26692, Sec. 17, T. 18 S.
R. 33 E., has been cancelled.

The APD is considered expired if drilling activity has not commenced
within one year after approval. Should you desire to drill this
well at a later date, you will be required to re-submit the proper forms
for approval.

Sincerely,



Richard L. Manus
Area Manager

cc: RDO
NMOCB Artesia/Hobbs

APR 25 1991