



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
Tel. (505) 234-5972
Fax (505) 885-9264

IN REPLY REFER TO:
3162.4
LC-030132-B

DEC 31 2001

Melrose Operating Co.
Attn: Mrs. Bonnie Atwater
P. O. Box 5061
Midland, TX 79704

Dear Mrs. Atwater:

Your Application for Permit to Drill (APD), for the following well has expired because drilling has not commenced within one year of the approval date as stated in the General Requirements for Oil and Gas Operations on Federal Leases.

LC-030132-B Closson B Federal #38 660'S & 660'E Sec. 19, T. 22S., R. 36E.
APD approved 10/19/00

If drilling operations have commenced on the referenced well, please contact this office at (505) 234-5972 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) to the Roswell Field Office, 2909 West Second Street, Roswell, New Mexico 88202, so we may correct our records.

If the well has not been spudded, but site construction activities have occurred, please contact this office at the above telephone number for surface reclamation instructions.

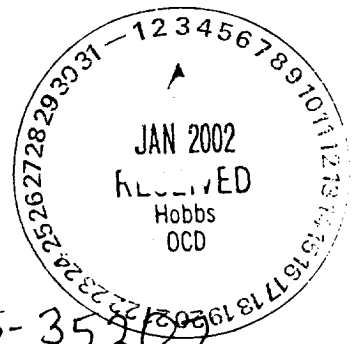
If you wish to drill this well at a later date, please submit a complete application (1 original and 5 copies) to the Roswell Field Office. Since the original APD has expired, the resubmitted APD will be subject to all the processing requirements including the 30-day posting requirement. Please note on the resubmitted APD that it was previously approved and we will review the expired file for information which will help expedite the processing. If you have any questions please contact Joe Lara at (505) 234-5915 or Betty Hill at (505) 234-5937.

Sincerely,

/s/ Mary J. Rugwell

Mary Jo Rugwell
Assistant Field Manager
Lands & Minerals

bcc:BLM-I&E (CFO/Hobbs)
NMOCD (Artesia/Hobbs)
L Askwig (RFO)



30-025-35209

VOID

JAN 30 2002