FEbruary 7, 1991

Sirgo Operating, Inc. P. O. Box 3531 Midland, TX 79702

Gentlemen:

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Your Application for Permit to Drill, Deepen, or Plug Back (APD) for Well West Dollarhide Queen Sand Unit No. 138, Lease No. LC-069052, Section 31, T., 24 S., R. 38 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

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cc: RDO NMOCD (Hobbs,Artesia)