P.O. DRAWER 1857 ROSWELL, NEW MEXICO 88201

January 24, 1983

Conoco, Inc. P.O. Box 460 Hobbs, NM 88240

> Lease No. LC-031695(b) Well No. 87 Warren Unit Sec. 29, T. 20 S., R. 38 E. Lea County, New Mexico

Gentlemen:

The Application for Permit to drill the subject well was approved for a one year period. Since drilling operations were not commenced within the one year period the Permit to Drill is terminated.

If you decide to drill this well at a future date, you should resubmit the Application for Permit to Drill.

Sincerely yours,

James A. Gillham District Supervisor Oil and Gas

cc: BLM-Carlsbad District Lease File Sub-District-Hobbs Regional File MMOCD-Hobbs RCF Jack Bryan

AALopez/la/1-24-83