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October 2, 1986

Exxon Corporation P. O. Box 1600 Midland, TX 79702

Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back (APD) for Well S. Quail Ridge Federal No. 1, Lease No. NM-60788, 1880 FNL and 660 FWL, Section 22, T. 19 S., R. 34 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 resubmit the proper forms for approval.

Sincerely, 11.

Charles Dahlen Area Manager

cc: RDO NMOCD (Artesia/Hobbs) File