1. M. OR CARD. SCHMILLALA P. O. BOX 1000 HOBBS, NEW MEXICO 88240

March 25, 1987

VEIRS PRODUCTION 500 Midland, Tower Midland, TX 79701

Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back (APD) for Well Western "A" Federal No. 1, 330 FNL and 1650 FWL, Section 5, T. 23 S., R. 33 E., has been cancalled.

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,

Linda S.C. Rundell Acting Area Manager