May 23, 1989

Sun Exploration & Production Company P. O. Box 1861 Midland, TX 79702

Gentlemen:

Your Application for Permit to Drill, Deepen, or Plug Back (APD) for Well Shearn Federal No. 4, Lease No. NM-063530, 1650' FNL and 330' FWL, Section 15, T. 19 S., R. 32 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,

XI Mann

Richard L. Manus Area Manager

cc: RDO NMOCD (Artesia/Hobbs)