February 20, 1990

Grover-McKinnery Oil Company P. O. Box 3666 Midland, TX 79702

Gentlemen:

Your application for Permit to Drill, Deepen, or Plug Back (APD) for Well Federal No. 5, Lease No. NM-51844, Sec. 9, T. 20 S., R. 33 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

cc: RDO NMOCD (Artesia/Hobbs)

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