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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Resource Area Headquarters P.O. Box 1778 Carlsbad, New Mexico 88221-1778

IN REPLY REFER TO:

3162.3-1 (067) NM NM-57280

T-08min 4-19-94

Mitchell Energy Corp. P. O. Box 4000 The Woodlands, Texas 77387-4000

Gentlemen:

Your Application for Permit to Drill (APD), the Anasazi "5" Federal Well No. 1, 2310 feet FN L and 660 feet FE L, Section 5, T. 20s., R. 33 E., Lea County, New Mexico, Lease No. NM NM-57280 , has been cancelled because drilling has not commenced within one year of approval as stated in the General Requirements For Oil And Gas Operations On Federal Leases.

If construction activities have occurred on the referenced drill site, please contact this office at (505) 234-5272 for surface restoration instructions.

If you wish to drill this well at some later date, please refile your application.

Sincerely,

Richard L. Manus Area Manager

30-025-31715

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AUG 17 2001.