A.C.ATICI

December 29, 1982

CERTIFIED MAIL

Byron Oil Industries, Inc. 2200 E. 104th Avenue, Suite 217 Thorn, Colorado 80234

Gentlemen:

Enclosed is your Application for Permit to Drill (APD) well No. 3 Dunn Federal, NELSE, sec. 4, T. 23 N., R. 7 W., Rio Arriba County, New Mexico, lease Santa Fe 078272-C. As discussed with Mr. Elledge's secretary of your Company on December 21, 1982, the subject APD is hereby rescinded and returned due to drilling not being commenced within one year of the approval date.

You are required to request surface rehabilitation instructions from this office if construction activities occurred on the referenced drill site. If this office does not receive comment within 15 days, it will presume that no construction occurred and proceed accordingly. Later discovery that construction activities have in fact occurred, will result in assessment of liquidated damages.

Sincerely yours,

James F. Sims District Oil and Gas Supervisor

Inclosure

cc: NMOCC

