

Drawer 600
Farmington, New Mexico 87499

JUN 23 1983

CERTIFIED

Kenai Oil and Gas, Inc.
2000 Energy Center One
717 17th Street
Denver, Colorado 80202

Gentlemen:

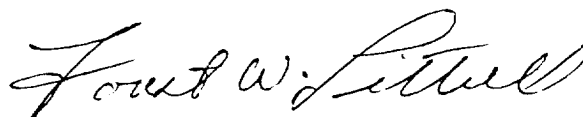
Reference is made to your Applications for Permit to Drill (APDs) for the following wells:

1. No. 33 Federal 6, NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 6, T. 23 N., R. 7 W., Rio Arriba County, New Mexico, lease NM-23049.
2. No. 32 Federal 18, SW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 18, T. 23 N., R. 7 W., Rio Arriba County, New Mexico, lease NM-21738.

As discussed with Don Osmus of your Company on June 17, 1983, the subject APDs are rescinded and returned due to drilling operations not being commenced within a six month extension period following the original approval date.

You are required to request surface rehabilitation instructions from this office if construction activities occurred on the referenced drill sites. 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,



Acting Area Manager

Enclosures

cc: NMOCC

RECEIVED

JUN 24 1983

OIL CON. DIV.
DIST. 3