

Caller Service 4104
Farmington, New Mexico 87499

JUN 25 1986

CERTIFIED--RETURN RECEIPT REQUESTED

Chace Oil Company, Incorporated
313 Washington SE
Albuquerque, NM 87106

Gentlemen:

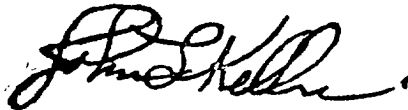
Enclosed are your Applications for Permit to Drill (APDs) the following wells:

1. No. 361-5, Jicarilla Tribal, SWNE sec. 4, T. 23 N., R. 4 W., Rio Arriba County, New Mexico.
2. No. 361-6 Jicarilla Tribal, SWSE sec. 4, T. 23 N., R. 4 W., Rio Arriba County, New Mexico.
3. No. 71-43 Jicarilla Tribal, SWNE sec. 3, T. 23 N., R. 4 W., Rio Arriba County, New Mexico.
4. No. 70-19 Jicarilla Tribal, SWSE sec. 33, T. 24 N., R. 4 W., Rio Arriba County, New Mexico.

As discussed with Frank Walker of your Company on June 10, 1986, the subject APDs are rescinded and returned due to drilling not being commenced within one year of the approval date.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, we will presume that no construction occurred. Later discovery that construction activities have in fact occurred, will result in an assessment.

Sincerely,



FOR John S. McFee
Acting Area Manager

Enclosure

cc:
NMOCD

ABANDONED LOCATIONS