MAY 0 9 1988

CERTIFIED--RETURN RECEIPT REQUESTED P-718-636-766

Union Texas Petroleum 375 U.S. Highway 64 Farmington, NM 87401



Gentlemen:

Enclosed is your Application for Permit to Drill (APD) for well No. 3-2 Nageezi Federal, SW/4NW/4, sec. 3, T. 23 N., R. 7 W., Rio Arriba County, New Mexico, lease SF-078272-A. As discussed with Robert Frank of your Company on April 13, 1988, the subject APD is rescinded and returned due to drilling not being commenced within one year of the approval date.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 30 days, we will presume that no construction occurred. Later discovery that construction activities have in fact occurred, may result in an assessment for noncompliance.

Sincerely,

1 State Costiner

Ron Fellows
Area Manager

1 Enclosure

cc:

ABANDONED LOCATION