* (3

1235 La Plata Highway Farmington, New Mexico 87401

CERTIFIED-RETURN RECEIPT REQUESTED P-718-636-406

Robert L. Bayless P.O. Box 168 Farmington, NM 87499

Gentlemen:

Enclosed are your Applications for Permit to Drill (APDs) for wells No. 27 and 29 Natani, SE/4NE/4 and HM/4SE/4 respectively, sec. 3, T. 21 N., R. 6 W., Sandoval County, New Mexico, lease NM-17007. As discussed with Kevin McCord of your Company on February 29, 1988, the subject APDs are rescinded and returned due to drilling not being commenced within one year of the approval date.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 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,

Total Land

Ron Fellows Area Manager

2 Enclosures

cc:

MARCIANO DI GIL CONT. DIN.

ABANDONED LOCATION