

DRAWER 600  
FARMINGTON, NEW MEXICO 87499

January 28, 1983

CERTIFIED MAIL

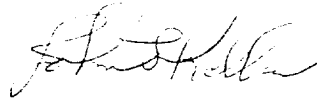
Kenai Oil & Gas, Inc.  
717 17th Street, Suite 2000  
Denver, Colorado 80202

Gentlemen:

Enclosed is your Application for Permit to Drill (APD) well No. 33 Federal 12, NW1/4 sec. 12, T. 23 N., R. 8 W., San Juan County, New Mexico, lease NM-36946. As discussed with Don Osmus of your company on January 21, 1983, the subject APD is rescinded and returned due to drilling not being commenced within one year of the approval date.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 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,



Mr. James F. Sims  
District Oil and Gas Supervisor

Enclosure

cc: NMOCC /

RECEIVED  
FEB 2 - 1983  
OIL CON. DIV.  
DIST. 3