October 4, 1979

Flag-Redfern Oil Company P. C. Box 234 Farmington, N.M. 87401

Genelemen:

Reference is made to three proposed wells on Federal oil and gas lease S.F. 078562, Rio Arriba County, New Mexico:

Location

| Well ho. | Location |
|--------------|-----------------|
| 5 Largo Spur | NE SW 18-24N-6W |
| 6 Largo Spur | NE NE 19-24N-6W |
| 7 Largo Spur | NE SE 13-24N-7W |

Applications for Permit to Drill these wells were filed April 28, 1978. The application for well No. 6 was approved May 15, 1978, and the applications for wells No. 5 and 7 remain unapproved because of certain requirements which have not been satisfied.

Approval of Application for Permit to Drill well No. 6 is rescinded this date. Applications for Permit to Drill wells No. 5 and 7 are cancelled this date. All applications are returned herewith. Any construction of access roads and well pads will have to be restored to the satisfaction of the Eureau of Land Management or the private surface owners, whichever is appropriate.

If at some later date you decide to wrill wells at these locations, it will be necessary to file new applications.

Sincerely yours.

(Orig. Sgd.) C. A. BARRICK

Carl A. Barrick Acting District Engineer

ccs: N.M. O & G Conservation Commission