

ADAMS

LOCATION

December 29, 1982

CERTIFIED MAIL

Schalk Development Company
P. O. Box 25825
Albuquerque, New Mexico 87125

Gentlemen:

Reference is made to the following Applications for Permit to Drill (APDs):

- No. 1 Schalk 43, SW $\frac{1}{4}$ sec. 28;
- No. 3 Schalk 43, SW $\frac{1}{4}$ sec. 35;
- No. 4 Schalk 43, SW $\frac{1}{4}$ sec. 36,

All in T. 25 N., R. 3 W., Rio Arriba County, New Mexico, lease NM-23043.

As discussed with Steve Schalk of your company on December 20, 1982, the subject APDs are hereby rescinded and returned due to drilling operations not being commenced within a six month extension period following the original approval date.

You are required to request surface rehabilitation instructions from this office if construction activities occurred on the referenced drill sites. 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,

James F. Sims
District Oil and Gas Supervisor

Enclosures

cc: NMOCC

RECEIVED

JAN 03 1983

OIL CON. DIV.
DIST. 3