Caller Service 4104
Farmington, New Mexico 87499

NOV 2 5 1985

CERTIFIED-RETURN FECEIPT REQUESTED

Pioneer Production c/o Dugan Production Corporation P.O. Eox 208 Farmington, Mr. 87499

Centlemen:

Enclosed is your Application for Permit to Drill (APP) well No. 2 Reid "C", SE/4SE/4 Sec. 13, T. 29 N., R. 12 W., San Juan County, New Mexico, lease SF-075587. As discussed with Mr. Sherman Dugan on November 19, 1985, the subject APP is rescinded and returned due to drilling not being commenced within one year of the approval date.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, we will presume that no construction occurred. Later discovery that construction activities have in fact occurred, will result in an assessment.

Sincerely,

Mat Millenbach Area Manager

Enclosure

HNOCC

NOV 2 6 1985

OIL CON. DIV.

AEANDONED LOCATION