JUL. 24 1992

Meridian Oil Incorporated P. O. Box 4289 Farmington, NM 87499

Gentlemen:

Reference is made to your Application for Permit to Drill (APD) well No. 1A Teel in the NW\sets Sec. 13, T. 31 N., R. 9 W., San Juan County, New Mexico, Federal Lease NM SF-078508. As we have received no report of drilling operations commencing prior to expiration, the subject APD has expired and is returned.

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 and proceed accordingly. Later discovery that construction activities have in fact occurred, may result in assessment of liquidated damages.

Sincerely,

Ken Townsend

FOR John L. Keller Chief, Branch of Mineral Resources

1 Enclosure

cc: NMOCD, Aztec, NM w/o enclosure



