



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:
NMSF 078463
3162.3-1 (07100)

MAY 21 2001

Greystone Energy, Inc.
5802 Highway 64
Farmington, NM 87401



Gentlemen:

Enclosed is your Application for Permit to Drill (APD) well No. 2 McClintock, NENE, Sec. 34, T. 31N., R. 13W., San Juan County, NM., lease NMSF 078463. The subject APD is rescinded and returned due to drilling not being commenced within the time frame authorized by either the APD or an extension of the approval date.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 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,

Matthew Warren
Petroleum Engineer,
Petroleum Management Team

1 Enclosure

cc:
/NMOCD, Aztec, NM