

DRAWER 600  
FARMINGTON, NEW MEXICO 87499

March 9, 1983

CERTIFIED MAIL

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

Gentlemen:

Reference is made to your Application for Permit to Drill (APD) well No. 5 Schalk 94, NE1/4 sec. 26, T. 32 N., R. 8 W., San Juan County, New Mexico, lease NM-6894. As discussed with Steve Schalk of your company on March 4, 1983, the subject APD is hereby rescinded and returned due to drilling operations not being commenced within a six month extension period following the original approval date.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 site. 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,

*Elliott*

For James F. Sims  
District Oil and Gas Supervisor

Inclosure

cc: NMOCC ✓

RECEIVED  
MAR 14 1983  
OIL CON. DIV.  
DIST. 3