

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: NM 98740 3162.3-1 (07100)

Redwolf Production, Inc. P.O. Box 5382

Farmington, NM 87499

DEC 22 2000 29470.

Gentlemen:

Enclosed is your Application for Permit to Drill (APD) well No. 1 Sarah, SESW, Sec. 28, T. 25N., R. 10W., San Juan County, NM., lease NM 98740. The subject APD is rescinded and returned due to drilling not being commenced within the time frame authorized by either the APD or an extension of the approval date.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,

Jim Lovato

Petroleum Engineer,

Petroleum Management Team

1 Enclosure

cc:

NMOCD, Aztec, NM

Abandon Location

