

Cellar Service 4104
Farmington, New Mexico 87499

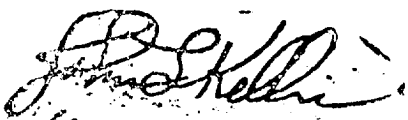
OCT 27 1986

Herrion Oil and Gas Corporation
P.O. Box 1017
Farmington, NM 87499

Gentlemen:

Reference is made to your well No. 4 Ponanza, NE/4NE/4 sec. 11, T. 22 N.,
E. 3 W., Sandoval County, New Mexico, Hicarilla Contract 360 and your letter
dated October 22, 1986. Your letter requested that we disregard your Sundry
Notice dated September 19, 1984, which proposed to refrac the Graneros Zone
and perforate and frac the Gallup. Your approval to perform the
above-mentioned workover is hereby rescinded as requested. You would be
required to resubmit a Sundry Notice when you decide to rework the well.

Sincerely,



Joe E. Fellows
Area Manager

cc:
RIA, Dulce
NEOCD

RECEIVED
OCT 29 1986
OIL CON. DIV.
DIST. 3