Kenai Oil and Gas, Inc. 2000 Energy Center Ome 717 17th Street Denver, Colorado 80202

## Gentlemen:

Enclosed is your Application for Permit to Drill (APD) well No. 43
Federal 5, NEWSEW sec. 5, T. 23 N., R. 8 W., San Juan County, New Mexico, lease NM-18463. The subject APD is hereby rescinded and returned due to drilling operations not being commenced within one year of the approval date.

You are required to request surface rehabilitation instructions from this office if construction activities occurred on the referenced drill site.

Sincerely yours,

Sue E. Umshler for James F. Sims District Oil and Gas Supervisor

Enclosure

cc: NMOCC