Caller Service 4104 Farmington, New Mexico 87499

OCT 17 1500

CERTIFIED

Merrion Oil and Gas Corporation P. O. Box 1017 Farmington, New Mexico 87499

Gentlemen:

Enclosed is your Application for Permit to Drill (APD) well No. 2 McKenzle Federal, SE#NE# sec. 25, T. 25 N., R. 6 W., Rio Arriba County, New Mexico, lease New Mexico 015014. As discussed with Ann of your Company on October 12, 1983, the subject APD is rescinded and returned due to drilling not being commenced within one year of the approval date.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. 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

Ast Area Hanager Other

Enclosure

cc: NMOCC/

OIL CONV. LAV.

ABANDONIO ECCATION