

CALLER SERVICE 4104
FARMINGTON, NEW MEXICO 87499

NOV 01 1983

CERTIFIED

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

RECEIVED

NOV 2 - 1983

OIL CON. DIV.
DIST. 3

Gentlemen:

Reference is made to your Applications for Permit (APDs) for the following wells:

- 1) 307 Canyon Largo Unit, NE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 11, T. 24 N., R. 6 W., Rio Arriba County, New Mexico, lease Santa Fe 078877.
- 2) 308 Canyon Largo Unit, SW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 5, T. 24 N., R. 6 W., Rio Arriba County, New Mexico, lease Santa Fe 078874.
- 3) 309 Canyon Largo Unit, SW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 4, T. 24 N., R. 6 W., Rio Arriba County, New Mexico, lease Santa Fe 078874.
- 4) 2 Stephenson, NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 7, T. 25 N., R. 8 W., San Juan County, New Mexico, lease Santa Fe 078475.
- 5) 1 SOB Federal, SW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 8, T. 25 N., R. 8 W., San Juan County, New Mexico, lease NM-47169.

As discussed with Ann Miller of your company on October 20 and 27, 1983, the subject APD's are rescinded and returned due to drilling operations not being commenced within a six month extension period following the original approval date.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 reference drill sites. 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,

Area Manager

cc: NMOC/D