

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:

NMNM-15654 et al. (WC) 3162.3-4 (7100)

Mr. John Alexander Dugan Production Corp. PO Box 420 Farmington, NM 87499

Dear Mr. Alexander:

Enclosure

cc: NMOCD

Reference is made to your Applications for Permit to Drill (APD) for the following wells No. 90 Rodeo Rosie Com located 1330' FNL & 1850' FEL sec. 29, Lease NMNM-15654 and No. 90 Target located 1850' FSL & 1850' FWL sec. 20, Lease NMNM-43442 both in T. 24 N., R. 10 W., San Juan County, New Mexico.

The above mentioned enclosed APD's are hereby rescinded due to not being drilled within the one year approval date and/or approved extensions.

You are also required to request surface rehabilitation instructions from this office if construction activities occurred on the referenced drill sites. If this office does not receive comment within 20 days, it will presume that no construction occurred and proceed accordingly. Later discovery that construction activities have in face occurred, will result in an assessment.

Sincerely,

Stephen Mason
Petroleum Engineer; Petroleum Management Team

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