## P. O. Drawer 600 Farmington, New Mexico 87499

January 28, 1983

## CERTIFIED MAIL

Petroleum Energy, Inc. P. O. Box 2121 Durango, Colorado 31301

## Gentlemen:

Enclosed is your Application for Permit to Drill (APD) well No. 1 Barbara Kay, SENSER sec. 20, T. 27 N., R. 19 W., San Juan County, New Mexico, lease Operating Agreement. As discussed with Larry Sweringen of your company on January 25, 1983, the subject APD is rescinded and returned due to drilling not being commenced within one year of the approval date.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.

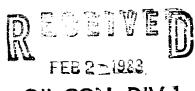
Sincerely yours,

James F. Sims

Disctrict Oil and Gas Supervisor

Enclosure

cc : NMOCC



OIL CON. DIV.