

P. O. Drawer 600
Farmington, New Mexico 87499

January 28, 1983

CERTIFIED MAIL

Petroleum Energy, Inc.
P. O. Box 2121
Durango, Colorado 81301

Gentlemen:

Enclosed is your Application for Permit to Drill (APD) well No. 1 Barbara Kay, SE $\frac{1}{4}$ SE $\frac{1}{4}$ 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 As discussed with Larry Sweringen of your company on January 25, 1983, the subject APD is rescinded and returned due to drilling not being commenced within one year of the approval date.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,



For James F. Sims
District Oil and Gas Supervisor

Enclosure

cc: NMOCC

RECEIVED

FEB 2 1983

OIL CON. DIV.]
DIST. 3,