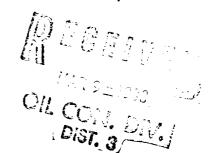
P.O. DRAWER 600 FARMINGTON, NEW MEXICO 87499

March 7, 1983



CLETTFILD MAIL

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

Centleman:

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

- 1). 1-13 Navajo, MEASW4 sec. 28, T. 27 N., P. 18 W., San Juan County, New Maxico, lease 1.00-C-14-20-5420.
- 2). 3-34 Mavajo, SWAMER sec 34, T. 27 H., P. 18 W., San Juan County, New Mexico, lease NOO-C-14-20-5420.

As discussed with Jay Hagness of your company on Harch 4, 1983, the subject APDs are hereby rescinded and returned due to drilling operations not being communed within a second six month extension period following the original approval date.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 referenced drill site. If this office does not receive comment within 15 days, it will presume that no construction occurred and proceed accordingly. Eater discovery that construction activities have in fact occurred, will result in assessment of liquidated camages.

Sincerely yours,

James F. Sims
District Oil and Gas Supervisor

Inclosure

cc: NMOCD