

P.O. DRAWER 600
FARMINGTON, NEW MEXICO 87499

March 7, 1983

CERTIFIED MAIL

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

RECEIVED
MAR 9 1983
OIL CON. DIV.
DIST. 3

Gentlemen:

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

- 1). 1-18 Navajo, NE1/4 sec. 28, T. 27 N., R. 18 W., San Juan County, New Mexico, lease NOC-C-14-20-5420.
- 2). 3-34 Navajo, SW1/4 sec 34, T. 27 N., R. 18 W., San Juan County, New Mexico, lease NOC-C-14-20-5420.

As discussed with Jay Hagness of your company on March 4, 1983, the subject APDs are hereby rescinded and returned due to drilling operations not being commenced within a second six month extension period following the original approval date.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. Later discovery that construction activities have in fact occurred, will result in assessment of liquidated damages.

Sincerely yours,

James F. Sims
District Oil and Gas Supervisor

Enclosure

cc: NMOCD /