

Caller Service 4104
Farmington, New Mexico 87499

JUL 17 1987

CERTIFIED--RETURN RECEIPT REQUESTED
P-488-632-670

Dugan Production Corporation
P.O. Box 208
Farmington, NM 87499

Gentlemen:

Enclosed are your Applications for Permit to Drill (APDs) well No. 14 and 15 KR, NE/4NE/4 sec. 29, and NE/4SE/4 sec. 20, respectively. Both wells are in T. 27 N., R. 13 W., San Juan County, New Mexico, lease NI-11580. As discussed with Jim Jacobs of your company on July 8, 1987, the subject APDs are rescinded and returned due to drilling not being commenced within a six month extension period following the original one year period.

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 30 days, it will presume that no construction occurred and proceed accordingly. Later discovery that construction activities have in fact occurred, may result in an assessment for noncompliance.

Sincerely,

/s/ John L. Keller

Ron Fellows
FOR Area Manager

2 Enclosures

cc:
NMOCD

JUL 20 1987
OIL CON. DIV.
DISK 3

ABANDONED LOCATION