

Caller Service 4104
Farmington, New Mexico 87499

APR 24 1986

CERTIFIED--RETURN RECEIPT REQUESTED

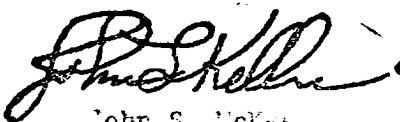
Paper Production Corporation
P.O. Box 208
Farmington, NM 87499

Gentlemen:

Enclosed are your Applications for Permit to Drill (APDs) well Nos. 1 Brown and 1 Mervel, secs. 29 and 32, T. 27 N., R. 12 W., San Juan County, New Mexico, Leases N00-C-14-20-5705 and 5706. As discussed with Barbara Williams of your company on April 23, 1986, the subject APDs are rescinded and returned due to drilling not being completed prior to lease expiration.

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, we will presume that no construction occurred. Later discovery that construction activities have in fact occurred, will result in an assessment.

Sincerely,


John S. McKee
FOR Acting Area Manager

Enclosure

cc:
H00C

RECEIVED
APR 28 1986
OIL CON. DIV.
DIST. 3

ABANDONED LOCATION