APR 28 1992

APR2 9 1992
OIL CON. DIV

Bonneville Fuels Corporation 1660 Lincoln, Suite 1800 Denver, CO 80264

## Gentlemen:

Enclosed is your Application for Permit to Drill (APD) well No. 23-24 Scott E Federal, SW1 Sec. 23, T. 27 N., R. 11 W., San Juan County, New Mexico, lease SF-078089. As discussed with Larry Lillo of your company on April 9, 1992, the subject APD is rescinded and returned due to drilling not being commenced within one year of the approval date. Also enclosed is a copy of NTL-FRA 90-1 that we discussed.

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, we will presume that no construction occurred and proceed accordingly. Later discovery that construction activities have in fact occurred, may result in assessment of liquidated damages.

Sincerely,

/s/ William F. Blackard

FOD John L. Keller Chief, Branch of Mineral Resources

2 Enclosures

cc:

New Mexico Oil Conservation Division, Aztec, NM

