

OIL CON. DOV.

SF-080724-A et al. (WC) 3162.3-1(F) (019)

AUG. 1 B 1989

CERTIFIED-RETURN RECEIPT REQUESTED P-117-126-677

Union Texas Petroleum 375 US Highway 64 Farmington, NN 87401



Gentlemen:

Enclosed are your Applications for Permit to Drill (APD) for the following wells:

- 1. No. 4 McCroden B, NE/4SW/4 sec. 4, T. 25 N., R. 3 W., Rio Arriba County, New Mexico, lease NM-02555
- 2. No. 61 Zachry, SW/4HW/4 sec. 35, T. 29 N., R. 10 W., San Juan County, New Mexico, lease SF-080724-A
- 3. No. 7A Seymour, NW/4SE/4 sec. 23, T. 31 N., R. 9 W., San Juan County, New Mexico, lease NM-03601
- 4. Ho. 3 Haddox, NW/4NW/4 sec. 20, T. 30 N., R. 8 W., San Juan County, New Nextco, lease SF-079511-Λ

As discussed with Lynn Gurney of your company on August 9, 1989, the subject APDs are rescinded and returned due to drilling not being commenced within one year of the approval date.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 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/ John L. Keller

FOR Ron Fellows Area Manager

Enclosures

cc: HMOCD, Aztec, NM