NMSF-080917 et al. (WC) 3162.3-1.0 (07337)

FEB 1 1 1994

Mr. Robert J. Sagle McKenzie Methane Corporation 1911 Main Avenue Durango, Colorado 81301

Dear Mr. Sagle:

Enclosed are your Applications for Permits to Drill (APD's) the wells listed on the enclosed list. Due to no reports of drilling operations commencing prior to expiration, the subject APD's have expired and are returned. Any expired APD may be resubmitted at any time when definite drilling plans are formulated.

You are required to request surface rehabilitation instructions from this office if construction activities have occurred on any of the proposed drill sites. If this office does not receive comment within 30 days, it will be presumed that no construction occurred. Later discovery that construction activities have occurred may result in assessment of liquidated damages.

Sincerely,

Ken Townsend

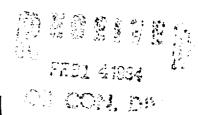
Chief, Branch of Drilling

and Production

Enclosures: List of Expired APD's Expired APD's (14)

cc:

New Mexico Oil Conservation Division 1000 Rio Brazos Rd., Aztec, NM 87410 w/list



ABANDONID LOCATION OF COMME

Expired APD's

McKenzie Methane Corporation

Number/Name/Expiration Date

4-1 Atlantic Expired: June 25, 1993

4-2 Atlantic Expired: May 29, 1993

6-1 Stewart V Expired: June 25, 1993

27-2 Stewart V Expired: May 29, 1993

1 Stewart 30 Expired: June 25, 1993

2 Stewart 30 C Expired: June 25, 1993

31-1 Stewart Expired: May 29, 1993

31-2 Stewart Expired: May 25, 1993

1 Atlantic 25 Expired: July 1, 1993

26-2 Atlantic L Expired: May 29, 1993

Location/Lease No

921' FNL & 1492' FEL (NWNE) Sec. 04, T. 30 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMSF-080917

970' FSL & 1750' FWL (SESW) Sec. 04, T. 30 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMSF-080917

1537' FNL & 1030' FEL (SENE) Sec. 06, T. 29 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMSF-078194

1669' FSL & 1745' FWL (NESW) Sec. 27, T. 30 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMSF-078202

1170' FNL & 1466' FEL (NWNE) Sec. 30, T. 30 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMSF-078195

1614' FSL & 1122' FWL (NWSW) Sec. 30, T. 30 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMSF-078195

1723' FNL & 1165' FEL (SENE) Sec. 31, T. 30 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMSF-078194

1447' FSL & 1045' FWL (NWSW) Sec. 31, T. 30 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMSF-078194

1407' FNL & 1146' FEL (SENE) Sec. 25, T. 31 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMNM-013688

1162' FSL & 1612' FWL (SESW) Sec. 26, T. 31 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMNM-0606 27-1 Atlantic Expired: August 21, 1993

27-2 Atlantic Expired: August 21, 1993

1 Atlantic 33 Expired: June 25, 1993

33-2 Atlantic Expired: June 4, 1993 1580' FNL & 1423' FEL (SWNE) Sec. 27, T. 31 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMNM-0606

1163' FSL & 1646' FWL (SESW) Sec. 27, T. 31 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMNM-0606

1860' FNL & 1437' FEL (SWNE) Sec. 33, T. 31 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMSF-080917

1167' FSL & 1514' FWL (SESW) Sec. 33, T. 31 N., R. 10 W. San Juan County, New Mexico Federal Lease No. NMSF-080917