

OCD-ARTESIA

United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220-6292
September 14, 2007

CERTIFIED, RETURN RECEIPT REQUESTED.

RE: Hand Delivery

David G. Hammond
2704 Garden
Carlsbad, NM 88220

Attn.: David G. Hammond

Re: Sivley Jennings 3 and 4, Anadarko 13 Federal 1, Denton Federal #5, and P&A Wells

Upon completion of the following items, David G. Hammond will be in compliance with the requirements regarding the bonding issue in the conditions of approval for the Sivley Jennings 3 and the Anadarko 13 Federal 1.

Sivley Jennings #3 – 30-015-03474

1. Well is to be plugged as approved in procedure approved April 19, 2007.
2. Well to be plugged within 45 days – complete by October 26, 2007.

Sivley Jennings #4 – 30-015-03475

1. A 30 day period will be granted to repair items on this well and return to production ending October 15, 2007.
2. Submit written reports weekly on progress with work.
3. Once back on production, well to remain on production and weekly tank gauge measurements are to be submitted to the Carlsbad Field Office.

Anadarko 13 Federal #1 – 30-015-24881

1. Weekly production tank gauge measurements are to be submitted to the Carlsbad Field Office.
2. Well must be put on production and remain on production.

Denton Federal #5 – 30-015-24315

1. Weekly production tank gauge measurements are to be submitted to the Carlsbad Field Office.

Wells that have been plugged.

1. Reclamation work to be completed in a timely manner based on requirements from the Environmental Protection Specialists.

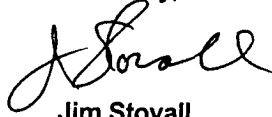
Under provisions of 43 CFR 3165.3, you may request a State Director Review (SDR) of the order described above. Such a request including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a

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suspension of the order unless the reviewing official so determines. Procedures governing appeals from instructions, orders, or decisions are contained in 43 CFE 3165.4 and 43 CFR Part 4.

If you have any questions, please contact Wesley Ingram at 505-234-5982.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Stovall", written in a cursive style.

Jim Stovall
Field Office Manager

cc. Well Files