



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd. - Suite A
Farmington, New Mexico 87402
www.blm.gov/nm



In Reply Refer To:
Carracas Unit No. 121
3162.3-1 (NMF0110)

OIL CONS. DIV DIST. 3

JUN 03 2015

May 29, 2015

Southland Royalty Company, LLC
Attn: Robbie Grigg
400 West 7th Street
Fort Worth, TX

Dear Ms. Grigg:

Reference is made to your Application to Permit to Drill (APD) the No. 121 Carracas Unit well, located 1852' FSL and 959' FEL, Section 22 T. 32 N., R. 4 W., Rio Arriba County, New Mexico, API: 30-039-30845. This APD was approved on June 1, 2011.

A sundry notice was filed April 3, 2013 to extend the APD and was approved on April 4, 2013. The second extension sundry notice was filed on May 19, 2015 and is being denied by the U. S. Forest Service because the SUPO was approved using Section 390, Cat. 3. This well will not be spud by June 1, 2015 deadline. As of this date, our records show no activity has taken place at this location

In view of the foregoing, this office is rescinding the approval due to the expiration of this APD. If you wish to drill this well at some later date, you must file another application to permit to drill. In addition, we will require a letter confirming that no surface disturbing activities have been conducted at this well site. Please file the letter within 30 days of receipt of this notice.

Any surface disturbance conducted must be rehabilitated in accordance with the standards and guidelines established by this office. Please contact Mark Kelly, Environmental Protection Supervisor at (505) 564-7710 or email at mkelly@blm.gov for information or inspections.

Under 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. 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 a request will not result in a suspension of the instructions, orders, or decisions unless the reviewing official so determines. Procedures governing appeals from the instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et. Seq.

If you have any questions, contact Cynthia Marquez at (505) 564-7741.

Sincerely,

A handwritten signature in cursive script, reading "Cynthia Marquez". The signature is written in dark ink and is positioned above the printed name.

Cynthia Marquez,
Land Law Examiner
Petroleum Management Team

CC: J.J. Miller U.S. Forest Service
Well File
NMOCD
AFMSS/cmarquez/rtn apd/Southland/06/01/2014