

IN REPLY REFER TO: NMSF 081161-A, et al. 3160 (010-ami)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Albuquerque Field Office 435 Montaño Rd. NE Albuquerque, New Mexico 87107- 4935 www.nm.blm.gov

MAY 3 1 2001

CERTIFIED--RETURN RECEIPT REQUESTED Z 271 987 093

Mr. Noel Reynolds P.O. Box 356 Flora Vista, NM 87415

Dear Mr. Reynolds:



Upon reviewing our production records we found the following wells are not currently producing.

#1 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081161-A

#2 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Treated with 13 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Treated with 13 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Treated with 13 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Treated with 13 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-A

#1 San Luis Federal WW, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Treated with 13 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Treated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 14 San Luis Federal, sec. 21, T. 18 N., R. 3 W., Federal lease NMSF 081160-F (Torreated with 15 San Luis Federal with 15 San Luis Fe

The first 6 wells mentioned above were to be returned to production per your Sundry Notices dated July 1, 1999. Our office approved those Sundrys November 5, 1999, with the condition that the wells be placed back on production or plans to plug and abandon them be submitted by January 5, 2000. The #15, #5 and #11 have not produced since August 2000 and the #1 WW and #3 have never produced.

Since both leases are in their extended term they must contain a well capable of producing hydrocarbons in paying quantities, i.e., sufficient quantities to pay the day-to-day operating and lease maintenance costs, or it will be considered to have expired.

In the absence of an acceptable showing by you that the subject wells are capable of producing hydrocarbons in paying quantities, within 60 days from receipt of this notice, this office will consider the leases to have terminated the date of last production.