If you consider the wells incapable of production in paying quantities, the subject leases will terminate and you should submit plans to plug and abandon the wells.

The foregoing information is furnished so that you may take such action as you consider appropriate. You are further reminded that no production tests or other operations should be conducted on the lease without prior approval by this office.

If you have any questions concerning this matter, please contact me at (505) 761-8756.

Sincerely,

Brian W. Davis

Petroleum Engineer

Division of Multi-Resources

