P.O. Box 959
Farmington, New Mexico 87401

May 15, 1980

Southland Royalty Company
P.O. Drawer 570
Farmington, New Mexico 87401

Gentlemen:

Reference is made to your letter of May 8, 1980 in response to our letter of April 17, 1980, concerning well No. 1 Jicarilla 446, NE¼SE¼ sec. 8, T. 27 N., R. 3 W., Rio Arriba County, New Mexico, lease Jicarilla Contract 446. Your letter did not address the question of what the current status of the well is. Was the recompletion as proposed in your Notice of Intent dated January 9, 1980 performed? If not, when and what was perforated and treated. A Subsequent report of operations is required to be filed stating either what was done to the well or the fact that nothing was done, thereby, canceling the previously approved notice of intent.
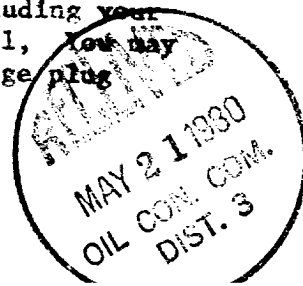
If the Pictured Cliffs formation was completed, then we need a completion report showing the completion information and a representative test of the well.

When the above information is received, we will at that time, entertain your request to temporarily abandon the well.

Accordingly, you are hereby requested to file within 15 days of this letter the following:

1. A Subsequent report of operations concerning the approved Notice of Intent dated January 9, 1980.

2. If no work has been done, then a Subsequent Report canceling the aforementioned Notice of Intent.

3. If the work was done, a completion report for the Pictured Cliffs formation.

Your Notice of Intention to Temporarily Abandon is returned unapproved herewith, upon receipt of the appropriate items mentioned above, resubmit the request to temporarily abandon, including your proposed timetable for completing evaluation of this well, You may be required to isolate the current open zone with a bridge plug prior to temporarily abandoning the well.

If the requested reports are not timely received in this office, you will be subject to assessment of liquidated damages pursuant to 30 CFR 221.

Sincerely yours,

James F. Sims
District Oil and Gas Supervisor

Enclosure

cc: NMOCC ✓
     SCR
     Sims Control
     Well file
     Chronological

JFSims:cap