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2009 SEP -9 P 4: 40

September 8, 2009

Richard Ezeanyim  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

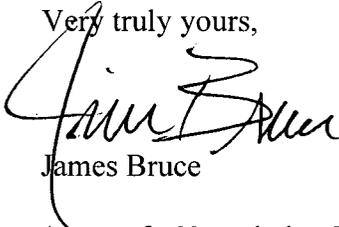
Re: Case No. 14326/Nacogdoches Oil and Gas, Inc.  
Hospah South Unit Well No. 39/Lot 3 §12-17N-9W

Dear Mr. Ezeanyim:

The above well was listed in the OCD records as being an unbonded fee well. However, the well is located on federal land, and is bonded with the BLM. Attached are "Serial Register" pages from the BLM's records, which show that Federal Lease NM 081208 covers Lot 3 of Section 12 as to the unified Upper Hospah Sand formation, and Federal Lease NM 12335 covers Lot 3 of Section 12 as to all formations except the unified Upper Hospah Sand formation.

The Division's records need to be corrected to reflect that its a federal well.

Very truly yours,



James Bruce

Attorney for Nacogdoches Oil and Gas, Inc.

cc: Mikal Altomare  
David Brooks  
Daniel Sanchez

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

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**01 02-25-1920;041STAT0437;30USC181ETSEQ**  
**Case Type 311211: O&G LSE SIMO PUBLIC LAND**  
**Commodity 459: OIL & GAS L**  
**Case Disposition: AUTHORIZED**

**Total Acres**  
304.080

**Serial Number**  
NMNM-- 0 081208

Serial Number: NMNM-- 0 081208

**Name & Address**

**Int Rel % Interest**

Name & Address	Address	Location	Interest Type	Interest %
BC&D OG CORP	PO BOX 302	HOBBS NM 882410302	LESSEE	46.000000000
KFC LLC	600 E JEMEZ	HOBBS NM 88240	LESSEE	10.000000000
KULP ENERGY LTD CO	BOX 5926	HOBBS NM 88241	LESSEE	14.000000000
NACOGDOCHES OIL & GAS INC	4896 W SH 21	NACOGDOCHES TX 759632418	LESSEE	20.000000000
UNITED DRILLING INC	PO BOX 7698	ALBUQUERQUE NM 87194	LESSEE	10.000000000

Serial Number: NMNM-- 0 081208

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0170N 0090W 012	ALIQ	W2NE,E2NW,SWNW;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT
23 0170N 0090W 012	FF	01 UPPER HOSPAH SAND AS;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT
23 0170N 0090W 012	FF	02 DEFINED BY ARTICLE II;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT
23 0170N 0090W 012	FF	04 OF THE UNIT AGREEMENT;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT
23 0170N 0090W 012	LOT:	1-4;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT

**Relinquished/Withdrawn Lands**

Serial Number: NMNM-- 0 081208

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0170N 0090W 712	FF	01 NWNW,SEGR ALL FORMATIONS;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND
23 0170N 0090W 712	FF	02 L1-4,W2NE,E2NW,SWNW,SEGR;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND
23 0170N 0090W 712	FF	03 ALL FORMS EXCEPT HOSPAH;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND
23 0170N 0090W 712	FF	04 SAND AS DEFINED BY;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND
23 0170N 0090W 712	FF	05 ARTICLE II OF THE UNIT;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND
23 0170N 0090W 712	FF	06 AGREEMENT;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND

Serial Number: NMNM-- 0 081208  
Pending Office

Act Date	Code	Action	Action Remarks
01/24/1960	387	CASE ESTABLISHED	SPAR 119;
01/25/1960	888	DRAWING HELD	
03/15/1961	237	LEASE ISSUED	
04/01/1961	496	FUND CODE	05;145003
04/01/1961	530	RLTY RATE - 12 1/2%	
04/01/1961	868	EFFECTIVE DATE	
02/08/1965	650	HELD BY PROD - ACTUAL	
03/16/1965	102	NOTICE SENT-PROD STATUS	
10/31/1968	700	LEASE SEGREGATED	INTO NMNM8269;
11/01/1968	232	LEASE COMMITTED TO UNIT	NMNM78426X;S HOSPAH
05/20/1987	963	CASE MICROFILMED	CNUM 100,518 RW
10/30/1987	140	ASGN FILED	TENNECO/CITATION LTD
04/01/1988	139	ASGN APPROVED	EFF 11/01/87;
08/04/1988	974	AUTOMATED RECORD VERIF	JA/MIG
03/24/1992	396	TRF OF INTEREST FILED	CHORNEY/CHORNEY EST
05/14/1992	974	AUTOMATED RECORD VERIF	BC/JS
10/01/1992	621	RLTY RED-STRIPPER WELL	1.3%;/1/8910115610
08/11/1993	625	RLTY REDUCTION APPV	/1/
11/03/1993	974	AUTOMATED RECORD VERIF	ANN
07/28/1994	899	TRF OF ORR FILED	
09/06/1994	140	ASGN FILED	CITATION/BC&D O&G
01/25/1995	139	ASGN APPROVED	EFF 10/01/94;
01/25/1995	974	AUTOMATED RECORD VERIF	MRR

**NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM**



**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

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**01 02-25-1920;041STAT0437;30USC226**  
**Case Type 311111: O&G LSE NONCOMP PUB LAND**  
**Commodity 459: OIL & GAS L**  
**Case Disposition: AUTHORIZED**

**Total Acres**  
344.080

**Serial Number**  
NMNM-- - 012335

**Name & Address**

Serial Number: NMNM-- - 012335

Int Rel % Interest

Name & Address	Address	Location	Role	Interest
BC&D OG CORP	PO BOX 302	HOBBS NM 882410302	LESSEE	46.000000000
KFC LLC	600 E JEMEZ	HOBBS NM 88240	LESSEE	10.000000000
KULP ENERGY LTD CO	BOX 5926	HOBBS NM 88241	LESSEE	14.000000000
NACOGDOCHES OIL & GAS INC	4896 W SH 21	NACOGDOCHES TX 759632418	LESSEE	20.000000000
UNITED DRILLING INC	PO BOX 7698	ALBUQUERQUE NM 87194	LESSEE	10.000000000

Serial Number: NMNM-- - 012335

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0170N 0090W 012	ALIQ	W2NE,NW;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT
23 0170N 0090W 012	FF	01 ALL FORM EXCL UPPER;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT
23 0170N 0090W 012	FF	02 HOSPAH SAND DEFINED BY;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT
23 0170N 0090W 012	FF	03 ARTICLE II OF THE UNIT;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT
23 0170N 0090W 012	FF	04 AGREEMENT;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT
23 0170N 0090W 012	LOT;	1-4;	FARMINGTON FO	MCKINLEY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 012335  
Pending Office

Act Date	Code	Action	Action Remarks
04/01/1961	387	CASE ESTABLISHED	
04/01/1961	496	FUND CODE	05;145003
04/01/1961	530	RLTY RATE - 12 1/2%	
04/01/1961	868	EFFECTIVE DATE	
03/16/1965	102	NOTICE SENT-PROD STATUS	
09/01/1965	650	HELD BY PROD - ACTUAL	
07/01/1970	209	CASE CREATED BY SEGR	OUT OF NMNM8269;
07/01/1970	660	MEMO OF 1ST PROD-ALLOC	SOUTH HOSPAH CLB
06/05/1987	963	CASE MICROFILMED	CNUM 102,416 DS
10/30/1987	140	ASGN FILED	TENNECO/CITATION LTD
04/05/1988	139	ASGN APPROVED	EFF 11/01/87;
07/28/1988	974	AUTOMATED RECORD VERIF	GEA/JA
10/20/1989	909	BOND ACCEPTED	EFF 10/20/89;MT0630
03/24/1992	396	TRF OF INTEREST FILED	CHORNEY/CHORNEY EST
05/14/1992	974	AUTOMATED RECORD VERIF	BC/JS
06/08/1992	974	AUTOMATED RECORD VERIF	BC/JLV
10/01/1992	621	RLTY RED-STRIPPER WELL	3.7%; /1/
02/01/1993	575	APD FILED	
02/17/1993	578	APD REJECTED	#30 HOSPAH CLB
03/04/1993	575	APD FILED	
08/11/1993	625	RLTY REDUCTION APPV	/1/
11/03/1993	974	AUTOMATED RECORD VERIF	ANN
07/28/1994	899	TRF OF ORR FILED	
09/06/1994	140	ASGN FILED	CITATION/BC&D O&G
01/24/1995	139	ASGN APPROVED	EFF 10/01/94;
01/24/1995	974	AUTOMATED RECORD VERIF	AR
06/25/2001	140	ASGN FILED	BC&D OIL & GAS CORP;1
07/30/2001	139	ASGN APPROVED	EFF 07/01/01;

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