

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



February 17, 2017

SAGEBRUSH OIL INC.

Attn: Beth Charles
HC 78
Box 21
Regina, NM 87046

Ms. Charles:

On February 1, 2016, a memorandum was sent to your office at the above address requiring bradenhead tests for the year 2016, Area C. The reports were required to be submitted no later than November 1, 2016. This office received your test forms on October 31, 2016. Thank you. However, as required by the Bradenhead Test Memorandum the bradenheads were not left open for a minimum of 15 minutes during the test. There was no recording of pressures at the 5, 10, and 15 minute. The initial pressures show 0 for everything including intermediate string. If an intermediate is on any of the wells, an updated wellbore schematic will need to be submitted so that we may update our system.

On November 21, 2016, I e-mailed you at sagebrushoil@yahoo.com requesting to contact me as soon as possible to set up a time to retest the wells with a witness from this office. With the possibility that you may not have received my e-mail, I am writing this letter.

All forms received on October 31, 2016 will be scanned into our well files with a sticker that states Failure to Comply with Bradenhead Test Memorandum Dated February 1, 2016.

Please contact me as soon as possible to set up a test time and date.

If you have any questions, you can reach me at 505-334-6178, ext. 123.

Sincerely,

Monica Kuehling
Deputy Oil & Gas Inspector
District III, Aztec

CC: Well File
BLM