



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington Field Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:

April 21, 2003

14-20-600-3531 (GC)
3162.3-4 (070)

Ms. Jeannette Feigt
Central Resources Inc.
1775 Sherman St.
Denver, CO 80203-4313

Dear Ms. Feigt:

Reference is made to the following wells located on the terminated Horseshoe Gallup Unit, T. 31 N., R. 16 W., Navajo Lease 14-20-600-3531:

- 1) No. 89, 680' FNL & 682' FWL sec. 19. 30-045-10658
2) No. 101, 1980' FSL & 706' FWL sec. 19. 045-10549
3) No. 104, 1980' FSL & 660' FEL sec. 19. 045-10558 4) No. 110, 660' FSL & 703' FWL sec. 19. 045-10508
5) No. 111, 601' FSL & 2002' FWL sec. 19. 045-10508 6) No. 112, 760' FSL & 1980' FEL sec. 19. 045-10515
7) No. 114, 660' FSL & 660' FWL sec. 20. 045-10511 8) No. 1-W, 1375' FSL & 1815' FEL sec. 19. 30-045-352

The unit, the wells were committed to has been terminated effective February 5, 2003 and lease 14-20-600-3531 is in the process of being terminated. The current operator Vulcan Minerals and Energy has defaulted and Central Resources Inc. as lessee on this lease is ultimately responsible to plug the above mention wells, remove any existing facilities, clean up oil/produced water contaminated areas, etc. Therefore, you are required to submit procedures to plug and abandon the above mentioned wells by May 15, 2003. You will be required to commence plugging operations within 90 days following approval of your plugging procedures.

Failure to comply within the time above may result in an assessment in accordance with 43 CFR 3163.1.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-93000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such requests shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions please contact Stephen Mason with this office at (505) 599-6364.

Sincerely,

Original Signed: Stephen Mason
Stephen Mason
Petroleum Engineer, Petroleum Management Team

cc: BIA, Window Rock; Navajo Nation Minerals Dept.; EPA; NMOCD