



RCVD APR26'07

United States Department of the Interior OIL CONS. DIV.

BUREAU OF LAND MANAGEMENT

DIST. 3

Farmington Field Office  
1235 La Plata Highway, Suite A  
Farmington, New Mexico 87401

IN REPLY REFER TO:

43CFR 3162.4-1(b)

43CFR 3162.4-2

April 24, 2007

30-045-32583

Mr. Thomas Bolack  
Bolack Minerals Company  
3901 Bloomfield Highway  
Farmington, New Mexico 87401

Dear Mr. Bolack:

Reference is made to the following well on Federal oil and gas lease  
**NMSF-081226:**

**Thomas F. Bolack #1, located 1935' FSL and 860' FEL, Sec. 03, T.30N.,  
16W., San Juan County, New Mexico.**

Also referenced is our letter dated March 26, 2007, which required *all* e-logs (Mud logs, Cement Bond logs, DST's etc.) be submitted to the Farmington Field Office on or before April 23, 2007

To date, we have not received any of the before mentioned logs with the exception of two CBL's dated March 29 and April 17 respectively. As such, you are in violation of 43 CFR 3162.4-1(b) and 43 CFR 3162.4-2, both of which are minor violations. If the violation is not corrected within 20 business days, you will be subject to an assessment, and the possibility of a lease termination. You have until May 22, 2007 to correct this violation. Failure to comply within the timeframe will result in an assessment in accordance with 43 CFR 3163.1

Since this lease is in its extended term, it must contain a well capable of producing in paying quantities. In the absence of production testing, the required log data will be used in part to assess the productive capability of the Federal lease. Failure to provide this information will leave us no alternative but to determine that the lease is incapable of production, resulting in expiration of the lease.

Any operator knowingly and willfully refusing to comply with the referenced requirement will be subject to Civil Penalties pursuant to 43 CFR 3163.2

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Under 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. Such a 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, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such a request will not result in a suspension of the instructions, orders, or decisions unless the reviewing official so determines. Procedures governing appeals from the instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et. Seq.

If you have any questions regarding the above, please contact me at (505) 599-6350.

Sincerely,

Bcc:  
NMOCD

Ty L Salyers 412412007

Troy L Salyers  
Petroleum Engineer