



United States Department of the Interior

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

30-043-20143

IN REPLY REFER TO:

NMSF-081160F (WC)
3162.3-2 (21110)

January 10, 2011

Ms. Beth Charles
Sagebrush Oil, Inc.
HC 78 Box 21
Regina, NM 87046

RCVD JAN 14 '11

OIL CONS. DIV.

Dear Ms. Charles:

DIST. 3

Reference is made to your well No. 1 San Luis Federal WW located 1980' FSL & 2310' FEL sec. 21, T. 18 N., R. 3 W., Sandoval County, New Mexico, Lease NMSF-081160F. Also referenced are your Sundry Notice dated September 14, 2010 and your visit to our office during late December 2010, in which informed this office your plans to convert this well to a water disposal well. Since the well has been inactive for over twenty years, you are required to complete a Mechanical Integrity Test (MIT) for the above mentioned well by February 15, 2011. 24 hours prior to stating the test, you are required to contact this office @ 505-599-8907.

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:
NMOCD

ACCEPTED FOR NMOLD RECORD