



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

P.O. DRAWER 1857
ROOSEVELT, NEW MEXICO 88381

NM-16114
IN REPLY REFER TO:
BEST AVAILABLE COPY

February 4, 1981

CHRYSLER MAIL
RETURN RECEIPT REQUESTED

Callier Energy, Inc.
P.O. Box 798
Artesia, NM 86210

Gentlemen:

A review of our files concerning your Well No. 1-Guadalupe Federal, Federal Lease NM-16114, Chaves County, New Mexico, shows that that well was shut-in during November 1977. Since this lease is in its extended term by production, it must contain a well capable of producing hydrocarbons in paying quantities, i.e. sufficient quantities to pay the day-to-day operating and lease maintenance costs, or it will be considered to have expired.

In the absence of an acceptable showing by you that the subject well is capable of producing leasehold substances in paying quantities, within (60) days from the receipt of this notice, this office will consider the lease to have terminated by operation of law effective June 30, 1982, the end of its primary term.

If you consider the well incapable of production in paying quantities, the subject lease will terminate and you should make plans to plug and abandon the well.

The foregoing information is furnished so that you may take such action as you consider appropriate. You are further reminded that no production tests or other operations should be conducted on the lease without prior approval by this office.

Sincerely yours,

WML SIGNED JAMES A. GILLHAM

James A. Gillham
District Supervisor
Oil and Gas

cc:
Regional Lease File
District Lease File
60-Day Letter File
Roosevelt Sub-District
RCF

AA/Lopez/la/2-4-81

