



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

620 E. Greene St.

P.O. Box 1778

Carlsbad, New Mexico 88221-1778

Tel. (505) 234-5972

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DEC 29 2000

IN REPLY REFER TO

3162 (080)

Lease #029387-B

SDX Resources, Inc.

P O Box 5061

Midland TX 79704

AUG 11 2000

AUG 09 2000

LC 029387-B

On August 7, 2000, we completed a field examination of the abandoned Shugart D Federal No. 1 well located 2310 feet FNL and 2310 feet FEL in Section 30, T. 18 S., R. 31 E., Eddy County, New Mexico.

The following actions must be completed prior to abandonment approval.

- The surface location is to be cleaned and leveled per BLM requirements.
- The drill pad should be ripped to a minimum of 12" depth.
- The drill site is to be reseeded according to the attached specifications for Seed Mixture No. 2.
- All ripped surfaces are to be protected from vehicular travel by constructing a dead-end ditch and earthen barricade at the entrance to these ripped areas. The barricade is to be constructed using spoil material from the ditch and should be of sufficient size to discourage vehicle entry.
- Meter Runs and Pipelines: Contact the utility company associated with the meter run or pipelines prior to any reclamation work. Meter runs will need to be removed before reclamation work is completed. Please contact the utility company to initiate removal.
- Special Stipulations: Remove well sign, well head and one power pole.

When these requirements have been fulfilled, please contact Barry Hunt at (505) 234-5965. If you have any questions, please do not hesitate to call.

Sincerely,

Leslie A. Theiss
For Leslie A. Theiss
Field Manager

RECEIVED
OCD ARTESIA

Completed 12-22-00 Called & left
Message on Barry Hunt Voice Mail 12-22