HOLCOMÉ OIL AND GAS, INC.



P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

November 19, 2004

30-043-05/92

Mr. Stephen Mason, Petroleum Mngt. Team BUREAU OF LAND MANAGEMENT 1235 La Plata Highway, Ste. A. Farmington, NM 87401

RE:

Rogers 24-1 Well - NMSF-078360

Sec. 24, T-23-N; R-7-W Sandoval County, NM

Dear Mr. Mason:

I am in receipt of your letter dated October 27, 2004. As you will recall, we submitted a proposal to abandon the referenced well but test a zone prior to abandonment. Due to rig availability and other timing issues, this work has not been done. In our conversation of November 16, 2004, I explained these problems in our ability to comply with your request. Key Energy has informed me that we are on their list to PxA this well in December, 2004 or at the latest January of 2005. By copy of this letter and the attached Sundry Notice, this extension is requested.

Sincerely,

W. J. Holcomb

WJH:slh Attachment

CC: Charlie Perrin V



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



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IN REPLY REFER TO:

NMSF-078360 (WC) 3162.3-4 (7100)

October 27, 2004

Mr. Jeff Holcomb Holcomb Oil & Gas Inc. PO Box 2058 Farmington, NM 87499

Dear Mr. Holcomb:

Reference is made to your well No. 1 Rogers 24 located 1980' FSL & 660' FWL sec. 24, T. 23 N., R. 7 W., Sandoval County, New Mexico, lease NMSF-078360. Also referenced is your Sundry Notice approved on October 14, 2003. The well has been approved for plugging for over a year. If the well has been plugged, you are required to submit a subsequent report of abandonment. If the well has not been plugged, you are required to inform this office when the work is scheduled to be performed.

You have 30 days to comply with this order. The 30 days commences upon receipt of this letter or seven days from the date it is mailed, whichever is less. Failure to comply within the 30 days 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.

Stephen Mason

Petroleum Engineer; Petroleum Management Team



Key Energy Services, Inc.

Four Corners Division 5651 US Highway 64 P.O. Box 900 Farmington, NM 87499

Phone: 505-327-4935 Fax: 505-327-4962

Holcomb Oil and Gas Attn: Mr. Jeff Holcomb P.O. Box 2058 Farmington, New Mexico 87401 DECETVED Nov 1 o 2004

November 18, 2004

Dear Mr. Holcomb,

This letter is in reference to the Rodger 24-1 well that is slated for plug & abandonment. Although we do not have a well servicing rig available immediately to perform this work, we will put this procedure on our list, and furnish a rig at the earliest date possible. I anticipate a rig should become available in December of 2004 or at the latest January of 2005.

Please do not hesitate to call if you have any further questions, and we will keep in touch on the rig availability.

Thanks for your business,

My best regards,

Mike Leonard Sales Manager

Key Energy Services Inc.