



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd., Suite A
Farmington, New Mexico 87402

30-045-09889
30-045-21595

IN REPLY REFER TO:

May 9th, 2016

3107.2-2 (21110)

CERTIFIED--RETURN RECEIPT REQUESTED

7016-0600-0000-7164-6872

OIL CONS. DIV DIST. 3

MAY 12 2016

Mr. Jubal Terry
BIYA Operators
1789 W. Littleton Blvd.
Littleton, CO 80120

Dear Mr. Terry:

Our records indicate that BIYA Operators is operator of the following wells:

- a.) State Senate #2 located 1997' FSL & 1820' FWL sec. 1, T. 30 N., R. 16 W., San Juan County, New Mexico, Lease NOOC-14-20-5341. **Records indicate that this well has not produced since May, 2012.**
- b.) Indian #3 located 2310' FSL & 330' FEL sec. 2, T. 30 N., R. 16 W., San Juan County, New Mexico, Lease NOOC-14-20-5342. **Records indicate that this well has not produced since December, 2007.**

Since the above-mentioned leases are in their extended terms by production, they 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 they will be considered to have expired.

In the absence of an acceptable showing by you that the subject wells are capable of producing leasehold substances in paying quantities, this office will consider these leases to have terminated by operation of law effective the date of **October 1st 2016.**

If you consider the above-mentioned wells incapable of production in paying quantities, the subject leases will terminate and you should make plans to plug and abandon these wells. If the wells have been placed back on production, please submit a sundry report notifying this office of the return to production status of these wells.

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 these leases without prior approval by this office.

Sincerely,

Jack Savage
Petroleum Engineer, Petroleum Management Team