

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



February 17, 2017

Finley Resources INC
Attn: Gidget Pacheco
PO Box 2200
Fort Worth, TX 76113

Ms. Pacheco:

On February 1, 2016, a memorandum was sent to your office at the above address requiring bradenhead tests for the year 2016, Area C. The reports were required to be submitted no later than November 1, 2016. Our well files indicate the required report on the Saladita State #1 30-031-21067 has not been submitted. On April 29, 2016 an operator change occurred on the well, which could be the reason why the well was missed.

The report is out of compliance with the Bradenhead Test Memorandum dated February 1, 2016. The well has been pulled from the 3-year test cycle and put on a yearly test cycle. To place this well back into its' regular area test rotation Finley Resources Inc. must retest the well in compliance with the 2017 Bradenhead Test Memorandum.

Be advised, any additional wells showing non-compliance with the Bradenhead Test Memorandum may also be pulled from the three-year cycle and put into a one year test cycle.

If your wells do not have a bradenhead, a wellbore schematic is required to be submitted on all non-plugged wells without a bradenhead explaining reason for lack of bradenhead.

If you have any questions, you can reach me at 505-334-6178, ext. 123.

Sincerely,

Monica Kuehling
Deputy Oil & Gas Inspector
District III, Aztec

CC: Well File