State of New Mexico Energy, Minerals and Natural Resources Department

David R. Catanach, Division Director

Oil Conservation Division

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary

February 17, 2017

W B Hamilton Estate 900 8th St STE 710 Wichita Falls, TX 76301

To whom it may concern:

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 has not been submitted for the State Com #1, 30-039-22466.

This 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 W B Hamilton Estate 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