



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington Field Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:

14-20-600-3531 (GC)
3162.3-4 (070)

September 16, 2003

Ms. Jeannette Feigt
Central Resources Inc.
1775 Sherman St.
Denver, CO 80203-4313

Dear Ms. Feigt:



Reference is made to the following wells located on the terminated Horseshoe Gallup Unit, T. 31 N., R. 16 W., Navajo Lease 14-20-600-3531:

- 1) No. 89, 680' FNL & 682' FWL sec. 19. *30-045-10658* 2) No. 101, 1980' FSL & 706' FWL sec. 19. *30-45-10549*
3) No. 104, 1980' FSL & 660' FEL sec. 19. *45-10558* 4) No. 110, 660' FSL & 703' FWL sec. 19. *45-10508*
5) No. 111, 601' FSL & 2002' FWL sec. 19. *45-10507* 6) No. 112, 760' FSL & 1980' FEL sec. 19. *45-10515*
7) No. 114, 660' FSL & 660' FWL sec. 20. *45-10511* 8) No. 1-W, 1375' FSL & 1815' FEL sec. 19. *45-31522*

Also referenced is your letter (Davis Graham & Stubbs LLP) dated September 2, 2003, which stated you believed the above Navajo Tribal lease had been transferred to Vulcan and Central Resources Inc. was not responsible for the above wells. A copy of this letter was forwarded to the BIA on September 7, 2003. According to the BIA letter dated September 12, 2003 (copy attached) the subject lease was not transferred due to the BIA not receiving an executed form 5-5429, an "Assignment of Mining Lease". Therefore, Central Resources Inc. is still ultimately responsible to plug the above mention wells, remove any existing facilities, clean up oil/produced water contaminated areas, etc. You are hereby required to submit procedures to plug and abandon the above mentioned wells by October 15, 2003.

Failure to comply within the time above may result in an assessment in accordance with 43 CFR 3163.1. In addition, continued noncompliance on the lease may result in collecting your surety bond.

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,

Original Signed: Stephen Mason
Stephen Mason
Petroleum Engineer, Petroleum Management Team

cc: BIA, Window Rock; Navajo Nation Minerals Dept.; EPA; NMOCD