



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:

NMSF-081160F et al. (WC)
3162.3-4 (21110)

August 7, 2008

Ms. Beth Charles
Sagebrush Oil, Inc.
HC 78 Box 21
Regina, NM 87046

RCVD AUG 11 '08
OIL CONS. DIV.
DIST. 3

Dear Ms. Charles:

Reference is made to the following shut in wells located in sec. 21, T. 18 N., R. 3 W., Sandoval County, New Mexico:

- 1) No. 11 San Luis Federal, 1670' FSL & 2294' FEL, lease NMSF-081160F. *30-043-05062*
- 2) No. 12 San Luis Federal, 1862' FSL & 2171' FEL, lease NMSF-081160F. *30-043-05066*
- 3) No. 19 San Luis Federal, 1910' FSL & 2420' FEL, lease NMSF-081160F. *30-043-20925*
- 4) No. 1 San Luis Federal WW, 1980' FSL & 2310' FEL, lease NMSF-081160F. *30-043-20143*
- 5) No. 1 San Luis Federal, 1650' FSL & 1980' FWL, lease NMSF-081161A. *30-043-20378*
- 6) No. 15 San Luis Federal, 1520' FSL & 2340' FWL, lease NMSF-081161A. *30-043-05061*

Since you are the new operator, you are required to complete the following by September 30, 2008:

- a) Return wells No. 1, 11 and 15 to production.
- b) Plug well No. 12 as approved.
- c) Submit procedures to plug wells No. 19 and 1 WW.

Failure to comply within the time above 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,

Original Signed: Stephen Mason

Stephen Mason
Petroleum Engineer, Petroleum Management Team

cc:
NMOCD