

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401

IN REPLY REFER TO 3162.5-2 Control of Wells

January 5, 2009

RCVD JAN 7'09 OIL CONS. DIV.

DIST. 3

Ms. Tracey Monroe Burlington Resources Oil and Gas Company P.O. Box 4289 Farmington, NM 87499

Dear Ms. Monroe:

Reference is made to Burlington's recent request for non-repair of the bradenhead for the following well:

16E Cain, located 1555' FSL and 1210' FEL section 30, T. 29N., R. 9W., San Juan County New Mexico, on federal oil and gas lease SF-080781.

After reviewing your application and the subsequent gas and water samples that were taken from the bradenhead December 10, 2008, it appears that cross flow of high salinity-hydrocarbon fluids is taking place in the bradenhead annular space. An assessment of the shallow groundwater quality of the Nacimiento and Ojo Alamo formations indicates that both of these formations are fresh water bearing and require isolation. In addition, the close proximity of this well to the San Juan River and domestic and agricultural development in vicinity warrants immediate action. As such, your application dated November 24, 2008, is hereby denied and returned with no further action taken. Your subsequent sundry notice dated December 15, 2008 will be accepted for record purposes, a copy which is enclosed for your records. Please file your plans for this well by January 31, 2009. Please include a definite and reasonable timeframe for commencing well bore repairs.

Under 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. Such a 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 Sate Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such a request will not result in a suspension of the instructions, orders, or decisions unless the reviewing official so determines. Procedures governing appeals from the 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 me at (505) 599-6367.

Singerely,

Jim Lovato

Senior Technical Advisor Petroleum Management Team

Cc:

NMOCD

Enclosures (2)