

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-078909 (WC) 3162.3-2 (21110)

June 2, 2009

<u>CERTIFIED--RETURN RECEIPT REQUESTED</u> 7008 1140 0004 7851 8286

Ms. Sharon Zubrod ConocoPhillips, San Juan Business Unit 3401 East 30th Street Farmington, NM 87402 RCVD JUN 4'09 OIL CONS. DIV. DIST. 3

Dear Ms. Zubrod:

Reference is made to the following well No. 4 Ingwerson Federal located 660' FSL & 1980' FEL sec. 20, T. 24 N., R. 2 W., Rio Arriba County, New Mexico, NMSF-078909. Also referenced is your copy of our letter dated February 18, 2009, sent to you, which required J.B. Martinez to submit monthly production reports and to pay any unpaid royalties since September 2000 for the above mentioned well by March 31, 2009. The operator was assessed a \$250.00 assessment (letter dated April 8, 2009). The operator's surety bond will be collected to pay back royalties, penalties and interest due the Minerals Management Service (MMS) and the remaining to pay BLM assessed violations and civil penalties. Since the operator is unable or unwilling to submit the required reports and royalties, the above mentioned well as lessee you are ultimately responsible. Therefore, you are required to submit plans for the above mentioned well by June 30, 2009.

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: MMS NMOCD