



United States Department of the Interior

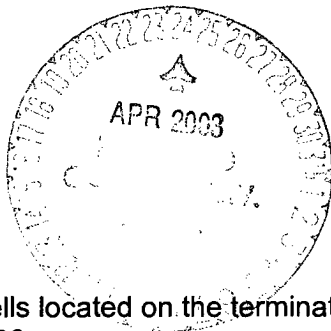
BUREAU OF LAND MANAGEMENT
Farmington Field Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:

April 22, 2003

NMSF-081226 (GC)
3162.3-4 (070)

Bolack Minerals Co.
3901 Bloomfield Hwy
Farmington, NM 87401



Gentlemen:

Reference is made to the following wells located on the terminated Horseshoe Gallup Unit, T. 30 N., R. 16 W., Federal Lease NMSF-081226:

- 1) No. 236, 2310' FNL & 1640' FWL sec. 3. 45-09922 2) No. 249, 1810' FSL & 760' FEL sec. 3. 045-09885
3) No. 257, 330' FSL & 1650' FWL sec. 3. 45-09816 4) No. 265, 526' FNL & 330' FWL sec. 10. 45-09780
5) No. 255, 760' FSL & 560' FEL sec. 4. 45-09837 6) No. 247, 1673' FSL & 1628' FWL sec. 3. 045-09898
7) No. 235, 2310' FNL & 330' FWL sec. 3. 45-09927 8) No. 245, 1980' FSL & 660' FEL sec. 4. 045-09892
9) No. 297, 1550' FSL & 1250' FEL sec. 4. 45-22097 10) No. 234, 2220' FNL & 880' FEL sec. 4. 045-09930
11) No. 243, 2080' FSL & 3200' FEL sec. 4. 45-09896

The unit, the wells were committed to has been terminated effective February 5, 2003 and lease NMSF-081226 is in the process of being terminated. The current operator Vulcan Minerals and Energy has defaulted and Bolack Minerals Co. as lessee on this lease is ultimately responsible to plug the above mention wells, remove any existing facilities, clean up oil/produced water contaminated areas, etc. Therefore, you are required to submit procedures to plug and abandon the above mentioned wells by May 15, 2003. You will be required to commence plugging operations within 90 days following approval of your plugging procedures.

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: EPA; NMOCD