

## United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington District Office 1235 La Plata Highway Farmington, New Mexico 87401

IN REPLY REFER TO:

NMSF-081160F (WC) 3162.3-2 (21110)

September 21, 2010

Ms. Beth Charles Sagebrush Oil, Inc. HC 78 Box 21 Regina, NM 87046 RCVD SEP 24'10 OIL CONS. DIV.

DIST. 3

Dear Ms. Charles:

Reference is made to your well No. 1 San Luis Federal WW located 1980' FSL & 2310' FEL sec. 21, T. 18 N., R. 3 W., Sandoval County, New Mexico, Lease NMSF-081160F. Also referenced is your Sundry Notice dated September 14, 2010, which requested a continuation of the current shut-in status for the above mentioned well until the NMOCD approves salt water disposal. Since the well has been inactive for over twenty years, you are required to complete a Mechanical Integrity Test (MIT) for the above mentioned well by October 31, 2010. 24 hours prior to stating the test, you are required to contact this office @ 505-599-8907.

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

> Notify NMOCD 24 hrs prior to beginning operations

