



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:
APD Rescind

August 12, 2010

RCVD AUG 16 '10

OIL CONS. DIV.

DIST. 3

SG Interests I, LTD
Attn.: Marcia Stewart
P.O. Box 2677
Durango, CO 81302

Dear Ms. Stewart:

Reference is made to your Application for Permit to Drill (APD) for the following well(s):

Federal 21-6-35 #3 well, located 1920' FSL and 660' FWL, Section 35, T21N, R6W, Sandoval County, New Mexico. This APD was approved on August 16, 2006 with an expiration date of August 16, 2008. According to our records, no known activity has taken place at this location. 30-043-21030

Federal 21-6-28 #1 well, located 1310' FNL and 1310' FEL, Section 28, T21N, R6W, Sandoval County, New Mexico. This APD was extended on February 27, 2008 with an expiration date of June 8, 2010. According to our records, no known activity has taken place at this location. 30-043-21012

Federal 20-6-6 #2 well, located 660' FNL and 1050' FWL, Section 6, T20N, R6W, McKinley County, New Mexico. This APD was extended on February 27, 2008 with an expiration date of March 7, 2010. According to our records, no known activity has taken place at this location. 30-031-21083

Federal 20-6-7 #1 well, located 990' FNL and 1650' FEL, Section 7, T20N, R6W, McKinley County, New Mexico. This APD was extended on July 18, 2007 with an expiration date of August 2, 2009. According to our records, no known activity has taken place at this location. 30-031-21094

Federal 20-6-8 #2 well, located 1980' FNL and 660' FWL, Section 8, T20N, R6W, McKinley County, New Mexico. This APD was extended on July 18, 2007 with an expiration date of August 2, 2009. According to our records, no known activity has taken place at this location. 30-031-21093

Federal 20-6-9 #2 well, located 990' FNL and 1650' FWL, Section 9, T20N, R6W, McKinley County, New Mexico. This APD was extended on February 27, 2008 with an expiration date of March 22, 2010. According to our records, no known activity has taken place at this location. 30-031-21082

Federal 20-6-13 #2 well, located 724' FNL and 1077' FWL, Section 13, T20N, R6W, McKinley County, New Mexico. This APD was extended on July 18, 2007 with an expiration date of August 8, 2009. According to our records, no known activity has taken place at this location. 30-031-21092

Federal 20-6-9 #4 well, located **1980' FSL and 660' FEL, Section 9, T20N, R6W, McKinley County, New Mexico**. This APD was extended on February 27, 2008 with an expiration date of June 15, 2010. According to our records, no known activity has taken place at this location. 30.031-21085

In view of the foregoing, this office is rescinding the approval due to the expiration of this APD. In addition, we will require a letter confirming that no surface disturbing activities have been conducted at this well site. Please file letter within 30 days of receipt of this notice. Any surface disturbance conducted must be rehabilitated in accordance with the standards and guidelines established by this office.

If you have any questions regarding the above contact Shea Valdez at (505) 599-8969

Sincerely,

/s/ Tel Baird

Tel Baird
Petroleum Engineering Asst.

Petroleum Management Team

cc: NMOCD ✓