

Macquesten, Gail, EMNRD

From: Sanchez, Daniel J., EMNRD
Sent: Friday, July 23, 2010 10:36 AM
To: Duncan_Whitlock@blm.gov
Cc: Macquesten, Gail, EMNRD; Altomare, Mikal, EMNRD
Subject: RE: Chica Wells

Duncan,

The OCD has never recognized Chica as the operator of record for the wells listed below. As far as we are concerned, they have no authority to transfer these wells to anyone else. Have a good weekend.

Daniel

-----Original Message-----

From: Duncan_Whitlock@blm.gov [mailto:Duncan_Whitlock@blm.gov]
Sent: Friday, July 23, 2010 9:00 AM
To: j hodes
Subject: Re: Chica Wells

Julie Hodges,

I have received your Letter, (dated July 12, 2010) by mail July 16, 2010. This is to confirm that I have given you 30 days to transfer these properties to another Operator, which is acceptable with the NMOCD and BLM or to submit Plugging procedures on the following wells. The transfer of operations is required to be in this office by August 13, 2010 or plugging procedures will be required to be submitted. If you choose to plug these wells the plugging operations will be required to be started by August 31, 2010.

Thanks for you assistance, Duncan

| | | |
|-----------------|-------------|------------|
| Gulf McKay #1 | NM67988 | 3002525471 |
| Dalton #1 | NM14840 | 3001525259 |
| Dow B 28 Fed #1 | NMLC029420B | 3001528676 |

Duncan Whitlock
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j hodes
<seasons_jewels@y

ahoo.com>

07/12/2010 12:57
PM

duncan.whitlock@nm.blm.gov

To

cc

Subject

Chica Wells

Here is a Letter I have drafted for an extension of Time to transfer wells to another Operator. I have spoken with COG this Am and we are working towards a solution. I Greatly Appreciate all of your help in this matter.

Julie Hodges, Manager
Chica Energy, LLC

(See attached file: Letter to Duncan Whitlock for extension of time.docx)