

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



October 25, 2010

Judah Oil, LLC
P.O. Box 568
Artesia, NM 88210

Judah Oil, LLC
611 W. Mahone Ave., Suite D
Artesia, NM 88210

Inactive Well Compliance Project **For Wells Inactive More Than 20 Years**

Re: Judah Oil, LLC., OGRID 245872

Dear Operator:

The Oil Conservation Division (OCD) is initiating an inactive well compliance project focusing on state or fee wells that have not reported production or injection for twenty years or more and are not currently on approved temporary abandonment status. According to OCD records, you are the operator of record for the following well(s) that may be subject to this compliance project:

1	30-005-10146	HUMBLE E-21-08S-33E E	245872	JUDAH	S	O	02/1986	SAN	T	9/9/2010
		A		OIL				ANDRES		
		STATE		LLC				08/28/08		
		#002						TA;TA EXP		
								09/09/201		

You can check your well list on the OCD's website to determine when other wells you operate will reach twenty years of inactivity. Go to <http://www.emnrd.state.nm.us/OCD/>, "OCD Online," "E-Permitting," and "Well List." Enter your operator name or OGRID. The column marked "last production or injection" will tell you when each well last reported production or injection.

OCD rules require wells that have been inactive for more than one year plus ninety days to be plugged and abandoned or placed on approved temporary abandonment status. 19.15.25.8 NMAC. Please return the well(s) identified above to compliance as soon as possible. If you are taking action to return the well(s) to compliance, or have plans to return the well(s) to compliance,

compliance in the immediate future, please contact me. You may be able to avoid enforcement action.

Beginning in December 2010, the OCD will file applications for hearing to seek plugging orders for state or fee wells out of compliance with 19.15.25.8 NMAC that have been inactive more than twenty years. The OCD will seek an order requiring the operator to plug the well by a date certain, and authorizing the OCD to plug the well and forfeit any available financial assurance if the operator fails to comply.

If a well is not covered by a financial assurance or if the financial assurance is not sufficient to cover the OCD's plugging costs, the OCD may bring suit against the operator for indemnification. See NMSA 1978, Section 70-2-14(E).

Please contact me if you have any questions about this compliance project. Thank you for your help in protecting New Mexico's environment, and the infrastructure of the oil and gas industry.

Sincerely,

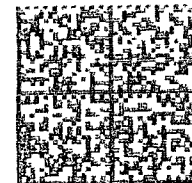
A handwritten signature in black ink, appearing to read 'Daniel Sanchez', with a stylized flourish at the end.

Daniel Sanchez
Compliance and Enforcement Manager

Daniel.sanchez@state.nm.us
(505) 476-3493

Ec: Larry "Buddy" Hill, Supervisor, OCD District 1

OIL CONSERVATION DIVISION
ENERGY MINERALS AND
NATURAL RESOURCES DEPARTMENT
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505



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10/25/2010

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Judah Oil, LLC
611 W. Mahone Ave., Suite D
Artesia, NM

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