



**United States Department of the Interior
BUREAU OF LAND MANAGEMENT**

Pecos District
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-2019
www.nm.blm.gov



In reply refer to:

3162.3-4
NMNM - 12557
NMP0130

SEP 9 2015

CERTIFIED—RETURN RECEIPT REQUESTED
7003 0500 0000-4453 7174

Jalapeno Corporation
PO Box 1608
Albuquerque, NM 87103

NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 14 2015

30-005-62901

RECEIVED

Subject: Vegetative monitoring status for Duncan Federal #5

Gentlemen:

The Bureau of Land Management (BLM) – Roswell Field Office is in receipt of your Subsequent Sundry Notice on Form 3160-5 (Sundry Notice and Reports on Wells) dated July 17, 2015 for the Duncan Federal #5 well in section 18, T. 9 S., R. 28 E., Chaves County, New Mexico.

BLM has placed the location in monitoring status pending satisfactory re-vegetation. Please continue your monitoring of this location annually for a minimum of two growing seasons. When the site appears to be in a safe, stable, and satisfactory re-vegetative state; submit a Final Abandonment Notice on Form 3160-5 (Sundry Notice and Reports on Wells) stating surface restoration of the well pad and access road is complete and are ready for inspection. BLM will then inspect the location, if it meets BLM standards, will process and approve your request for Final Abandonment. 43 CFR 3162.3-4 (c), states "...the surface of the lands disturbed in connection with the conduct of operations shall be reclaimed in accordance with a plan first approved or prescribed by the authorized officer".

However, if during those next two (2) years the BLM determines that there has been adequate precipitation to achieve a successful re-vegetative status and the location still does not meet BLM standards, the operator will be required to reclaim the location again until those standards are met. Under Onshore Order #1 XII B, it states "until surface reclamation is completed to the satisfaction of the BLM Authorized Officer final Abandonment will not be approved".

Your liability under bond is retained until surface reclamation is complete and approved by the Authorized Officer.

Accepted for record
420 122830 9/15/15

If you have any questions concerning the location, please contact Harley Davis at 575-627-0247.

Sincerely

Ruben Sanchez
Assistant Field Manager,
Lands and Minerals