



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

October 3, 2005

Imperial Oil Properties, Inc.
200 East 1st
Wichita, KS 67202
Attn: Mr. Robert Williams, Jr.

30-029-00011

RE: Imperial Oil Properties, Inc.: New Mexico State #1, located in Unit L of Section 2, Township- 21-South, Range- 7-West, (1980' FSL & 660' FEL), Luna County, New Mexico, NMPM.

Dear Mr. Roberts,

The above noted well is non compliant to a number of NMOCD's rules and regulations regarding the proper submittal of regulatory paperwork which you are aware from previous phone calls. As noted the last phone conversation between you and myself was on August 30th, 2005 requesting that you submit to our office as soon as possible the requested information.

Please submit to this district office the following so as legal actions against your company will not be pursued:

The complete set of electric logs ran on well.

Any DST test(s), which may have been ran.

NMOCD form C-103's (subsequent reports)

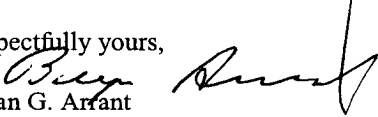
NMOCD form C-105 (completion report)

Notarized well deviation report.

As I am aware, the following rules have been violated: NMOCD Rules: 111, 1103 and 1105. Please note that in addition any environmental rules such as proper pit closure, proper plug and abandonment or temporarily abandonment, etc. may also be in violation with respect to NMOCD rules and regulations.

Please call if you have any questions or concerns regarding this matter.

Respectfully yours,


Bryan G. Arrant
PES

Cc: Van Barton, Field Supervisor-Artesia
Tim Gum, District II Supervisor-Artesia
Daniel Sanchez, Environmental Manager-Santa Fe