



NEW MEXICO  
NATURAL RESOURCES

GARY E. JOHNSON  
Governor  
Betty Rivera  
Cabinet Secretary

5 November 2002

**Via Certified Mail**

Yates Petroleum Corporation  
105 S. 4<sup>th</sup> Street  
Artesia, New Mexico 88210

RE: NOTICE OF VIOLATION

North Millman Unit # 3

K-8-19-28

API# 30-015-23838

Ladies and Gentlemen:

**This letter shall serve as a Notice of Violation of the rules of the New Mexico Oil Conservation Division.**

You were notified of this matter by letters dated 7-16-2002 and 10-24-2002. This certified letter is being sent in part because all of the foregoing directives have brought no response.

Rule 201 of the New Mexico Oil Conservation Division provides as follows:

**201 WELLS TO BE PROPERLY ABANDONED**

201.A. The operator of any well drilled for oil, gas or injection; for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof. [7-12-90...2-1-96]

201.B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within ninety (90) days after:

- (1) A sixty (60) day period following suspension of drilling operations, or
- (2) A determination that a well is no longer usable for beneficial purposes, or
- (3) A period of one (1) year in which a well has been continuously inactive.

Your above referenced wells have remained inactive for a considerably longer time than allowed under this Rule. Your failure to respond to OCD directives and failure to bring this well into compliance are serious violations and merit a severe sanction, up to and including abandonment and plugging as well as civil penalties. In the event that this well is not brought into compliance **on or before December 15, 2002** this third and **final Notice of Violation** precedes a request to the Division that you **Show Cause why this well should not be plugged and civil assessed.**

Respectfully yours,

*Tim W. Gum*

Tim Gum, District Supervisor, District II  
cc: OCD Legal

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

YATES PETROLEUM CORP  
105 S 4<sup>TH</sup> STREET  
ARTESIA NM 88210

2. Art  
(77)

7001 1940 0001 9971 3495

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

Patti Carlile

NOV 06 2002

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

VB

20-5-11

SH NW/11/1