

DIRECTOR

JOE D. RAMEY

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO 1000 RIO BRAZOS RD. - AZTEC

> 87410 LAND COMMISSIONER PHIL R. LUCERO

> > March 3, 1978



STATE GEOLOGIST EMERY C. ARNOLD

Sage Corp.
P. 0. Box 2618
Farmington, New Mexico 87401

Gentlemen:

Order R-5432 issued May 24, 1977, required new plugging bonds to be obtained prior to January 1, 1978. Our records indicate that the addressee has failed to comply with the order.

All drilling and/or producing operations for the below listed wells are hereby suspended until further order of the Commission. Any production during this shut in period period will subject the operator and/or transporter to penalties as provided by Section 65-3-27, New Mexico Statutes Annotated, 1953 Compilation which reads in part: "....subject to a penalty of not to exceed one thousand (\$1000.00) dollars a day for each and every day of such violation, and for each and every act of violation,...."

All transporters are advised by a copy of this letter to stop accepting products immediately.

If there are questions, please contact this office immediately.

Wells:

State #1, D-16-19N-6W, Undes. Mesaverde

Yours very truly,

A. R. Kendirck

Supervisor, District #3

ARK:no

xc: Oil Conservation Commission, Santa Fe

Transporters: Inland