



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

March 16, 1987

Mr. A.L. Dawsey
Northcreek Place
9451 L.B.J. Freeway, Suite 210
Dallas, Texas 75243

Re: Elvado #1 N-11-27N-1E
Elvado #2 I-11-27N-1E

Dear Mr. Dawsey:

A recent field inspection reveals that the referenced wells have been drilled. You have not filed spud notices and sundry reports on casing and cementing operations, in violation of Rule 1103.

The inspection also revealed that you drilled the wells without adequate pits and mud apparently ran down hillside unchecked during drilling operations, in violation of Rule 105. You also have an unreported oil spill at the Elvado #1, in violation of Rule 116.

You are hereby directed to suspend all drilling, completion and production operations until delinquent reports have been filed, oil and mud spills have been cleaned up, and until further notice from this office. Failure to comply will result in a case being called for A.L. Dawsey and all other interested parties to appear and show cause why the Elvado #1 and the Elvado #2, should not be plugged and abandoned in accordance with Division approved plugging programs and possible fines. We also require copies of any logs and temperature surveys.

If you have any questions, you may call me at 505-334-6178.

Yours, truly,

Charles Gholson
Deputy Oil & Gas Inspector

CG/dj

xc: William J. LeMay
Jeff Taylor
Well Files
Dixon Sandoval - Jic. Tribe, Dulce, NM