



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 5, 2000

Kevin O. Butler
500 W. Texas
Suite 955
Midland, Tx 79701

RE: New Mexico oil properties

Kevin,
Through recent and past inspections of well sites and review of production reports it was discovered that a vast majority of your wells are inactive. Order R-9210 states that a well can not be shut in for longer than a year. The following are the options for the future disposition of these wells

1. Restore the wells to service.
2. Set plug, conduct mechanical integrity test, and request temporary abandoned status.
3. Submit a proposal to plug and abandon the well, proceed with plugging on a timely basis and the proposal has been evaluated, amended and or approved.

To avoid further action, we request that you exercise one the above options no later than August 4, 2000. This letter is the first step in the documentation to schedule a show cause hearing. We request that you notify this office 24 hours prior to any operation in order to witness the operation, either repair or plugging and pressure test upon completion of repairs or to request TA status.

Very Truly yours
OIL CONSERVATION DIVISION

Billy E. Prichard
Deputy Inspector, District 1
505-393-6161 ext 107
Cell 505-369-6412

Cc:
Chris Williams
Gary Wink
Sylvia Dickey
Lyn Hebert
File

BEFORE EXAMINER	
OIL CONSERVATION DIVISION	
<u>OCD</u>	EXHIBIT NO. <u>109</u>
CASE NO. <u>12758-A</u>	