



*Dai & Brooks*  
**BC & D OIL & GAS CORP.**

02 MAY 21 PM 4:52

May 14, 2002

Mr. Charlie Perrin  
New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Re: Letter dated April 11, 2002

Dear Mr. Perrin,

In response to your letter dated April 11, 2002, please find attached an update. We are still working to meet your deadline, however as we discussed earlier this year, we may not be completed and would hope that you would work with us to obtain a common goal of all wells being in compliance. We still have a lot of work to do due to the notice of violation, which had to be addressed. It is also necessary to keep the active wells producing to develop cash flow to work on the inactive wells. It is our intent to get as much work done as possible between now and June 1.

Your original letter dated September 15, 2000 included 43 wells being in non-compliance. In December 2000 we submitted a plan of action of which we have placed 16 wells back on production, plugged 3 wells for the state and 8 wells for the BLM, for a total of 27 wells being placed back into compliance.

Your letter dated April 11, 2002 included 33 wells of which only 23 wells were included in the September 15, 2000 memo. Ten additional wells were included of which 1 well was placed back on production and witnessed by your office and supported by the C-103. We are moving forward with the remaining wells.

Please bear with me. We will cooperate with you and your staff to get the project completed.

Sincerely,

Donnie Hill  
President

cc: Ms. Lori Wrotenbery ✓  
Mr. Frank Chavez

**WELLS WHICH HAVE BEEN PLACED INTO COMPLIANCE**

30-031-05185	HOSPAH SAND UNIT #2	L-1-17N-9W	ACTIVE OILWELL
30-031-05205	HOSPAH SAND UNIT #3	N-36-18N-9W	ACTIVE OILWELL
30-031-05211	HOSPAH SAND UNIT #16	O-36-18N-9W	ACTIVE OILWELL
30-031-05213	HOSPAH SAND UNIT #17	N-36-18N-9W	ACTIVE OILWELL
30-031-05203	HOSPAH SAND UNIT #19	O-36-18N-9W	ACTIVE OILWELL
30-031-05184	HOSPAH SAND UNIT #21	F-1-17N-9W	ACTIVE OILWELL
30-031-05192	HOSPAH SAND UNIT #23	B-1-17N-9W	ACTIVE OILWELL
30-031-05186	HOSPAH SAND UNIT #24	G-1-17N-9W	ACTIVE OILWELL
30-031-05214	HOSPAH SAND UNIT #27	P-36-18N-9W	ACTIVE OILWELL
30-031-05225	HOSPAH SAND UNIT #29	G-36-18N-9W	ACTIVE OILWELL
30-031-05224	HOSPAH SAND UNIT #32	I-36-18N-9W	ACTIVE OILWELL
30-031-05222	HOSPAH SAND UNIT #35	K-36-18N-9W	ACTIVE OILWELL
30-031-05219	HOSPAH SAND UNIT #37	I-36-18N-9W	ACTIVE OILWELL
30-031-05179	HOSPAH SAND UNIT #38	F-1-17N-9W	ACTIVE OILWELL
30-031-05171	HOSPAH SAND UNIT #39	K-1-17N-9W	ACTIVE OILWELL
30-031-05194	HOSPAH SAND UNIT #51	B-1-17N-9W	ACTIVE OILWELL
30-031-05220	HOSPAH SAND UNIT #54	B-31-18N-9W	ACTIVE OILWELL
30-031-20371	HOSPAH SAND UNIT #85	G-1-17N-9W	ACTIVE OILWELL
30-031-20833	HOSPAH SAND UNIT #102	I-36-18N-9W	ACTIVE OILWELL

**COMPLIANCE WELLS CONTINUED**

30-031-20207	LONE PINE DAKOTA D #3	J-7-17N-8W	P & AD
30-031-20204	LONE PINE DAKOTA D #4	K-7-17N-8W	P & AD
30-031-20201	LONE PINE DAKOTA #23	K-13-17N-9W	ACTIVE GAS WELL
30-031-20341	SANTA FE #29	B-7-17N-8W	ACTIVE GAS WELL
30-031-20199	SANTA FE #26	N-7-17N-8W	P & AD
30-031-20444	HANSON #27	O-6-17N-8W	P & AD
30-031-20597	HANSON #34	O-6-17N-8W	P & AD
30-031-20400	HANSON #25	D-6-17N-8W	P & AD
30-031-20268	HANSON #23	P-6-17N-8W	P & AD
30-031-20158	HANSON #20	N-6-17N-8W	P & AD
30-031-20450	HANSON #33	N-6-17N-8W	P & AD
30-031-20719	HANSON #37	M-6-17N-8W	P & AD
30-031-20058	HOSPAH #18	G-12-17N-9W	P & AD

**NON-COMPLIANT WELLS**

3-031-05182	HOSPAH SAND UNIT #52	G-1-17N-9W	INACTIVE OILWELL
30-031-60022	HOSPAH SAND UNIT #53	O-36-18N-9W	INACTIVE OILWELL
30-031-07028	HOSPAH SAND UNIT #62	L-36-18N-9W	INACTIVE WIW
30-031-05577	HOSPAH SAND UNIT #66	A-1-17N-9W	INACTIVE WIW
30-031-05576	HOSPAH SAND UNIT #67	H-1-17N-9W	INACTIVE WIW
30-031-07030	HOSPAH SAND UNIT #71	N-36-18N-9W	INACTIVE WIW
30-031-20799	HOSPAH SAND UNIT #97	G-1-17N-9W	INACTIVE OILWELL
30-031-20944	HOSPAH SAND UNIT #105	N-36-18N-9W	INACTIVE OILWELL
30-031-20174	LONE PINE DAKOTA D-14	H-13-17N-9W	INACTIVE GASWELL
30-031-20165	SANTA FE PACIFIC #2	L-13-17N-9W	INACTIVE GASWELL
30-031-20181	SANTA FE PACIFIC #8	D-24-17N-9W	INACTIVE GASWELL
30-031-20183	SANTA FE PACIFIC #10	B-13-17N-9W	INACTIVE GASWELL
30-031-05531	SANTA FE PACIFIC #9	F-7-17N-8W	INACTIVE OILWELL
30-031-20003	SANTA FE PACIFIC #10	B-7-17N-8W	INACTIVE OILWELL
30-031-20038	SANTA FE PACIFIC #13	D-7-17N-8W	INACTIVE OILWELL
30-031-20138	SANTA FE PACIFIC #18	D-7-17N-8W	INACTIVE OILWELL
30-031-20149	SANTA FE PACIFIC #24	F-7-17N-8W	INACTIVE WIW
30-031-20148	SANTA FE PACIFIC #25	C-7-17N-8W	INACTIVE WIW
30-031-20452	SANTA FE PACIFIC #39	D-7-17N-8W	INACTIVE OILWELL

**NON-COMPLIANT WELL CONTINUED**

30-031-20451	SANTA FE PACIFIC #40	E-7-17N-8W	INACTIVE OILWELL
39-031-20836	SANTA FE PACIFIC #47	D-7-17N-8W	INACTIVE OILWELL
30-031-05570	SANTA FE RAILROAD A#72	P-1-17N-9W	INACTIVE OILWELL
30-031-20021	SANTA FE RAILROAD A#74	I-1-17N-9W	INACTIVE OILWELL
30-031-20072	SANTA FE RAILROAD A#75	P-1-17N-9W	INACTIVE OILWELL
30-031-20303	SANTA FE RAILROAD B#32	M-5-17N-8W	INACTIVE OILWELL
30-031-20369	SANTA FE RAILROAD B#33	L-5-17N-8W	INACTIVE OILWELL
30-031-20416	SANTA FE RAILROAD B#36	L-5-17N-8W	INACTIVE OILWELL
30-031-20415	SANTA FE RAILROAD B#37	M-5-17N-8W	INACTIVE OIL WELL
30-031-20022	WHIGHAM #2	P-11-17N-9W	INACTIVE WIW