JIM PIERCE

OIL AND GAS PROPERTIES SUITE 859 PETROLEUM BUILDING 200 WEST FIRST ROSWELL, NEW MEXICO 88203

PHONE 505-622-7246 FAX 505-622-1711 EMAIL: jplandman@dfn.com

November 18, 2002

RECEIVED

NOV 2 1 2002

OIL CONSERVATION DIVISION

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Attention: Ms. Lori Wrotenbery, Director

Re: Case No. 12862 Order No. R-11859

Dear Ms. Wrotenbery:

On behalf of N. Dale Nichols, this letter is in response to your letter dated November 5, 2002 regarding an \$11,000.00 penalty assessment levied against Mr. Nichols for non-compliant wells.

Enclosed are copies of Form C-103's reflecting the work that was performed on the wells in question, whereby all wells were brought into compliance as early as June and July.

I believe that the work performed on the Lewis Neff #3 in June of 1991 and 2002 was not witnessed, however, a C-103 reflecting this work has been filed for approval as of the date of this letter.

N. Dale Nichols has performed all work prescribed in a timely manner and at great expense to comply with the Division's directives per its May 2, 2002 hearing.

With this in mind, we request, on behalf of N. Dale Nichols, that the penalty assessment be formally dismissed and no further action be taken.

We appreciate your help and consideration and request that all future correspondence concerning this matter be directed to this office.

Respectively, Jim Pierce, RLP

JP

Encl.

Xc: NMOCD District II Office

Xc: N. Dale Nichols

Submit 3 Copies to Appropriate District Office	131415167778	State of Carlos And I	of New M Natural F	laxico Resources Department	~	θp	Form C-103 Revised 1-1-89
DISTRICT		OIL CONSER 2040 Pec Santa Fe	heco SI.		WELL API NO. 30-005-1041	<u>_</u> 71	
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Address of Operator P.O. Box 1972, Midl	nd. Texas 79702				Pool name or Wi ACME (San /		
Well Location	······	· · · · · · · · · · · · · · · · · · ·				4101007	
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Submit 3 Copies to Appropriate	State of Ne Energy,erais and Natur		artmant		Form C-103 Revised 1-1-89
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<u>DISTRICT </u> P.O. Sox 1980, Hobbs, NM 88240	OIL CONSERVA 2040 Pacheco		ION	WELL APL NO.	
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DISTRICT III 1000 Rio Brazon Rd., Aztac, HM 87410				eState Oil & Gea L E-3614	ease No.
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Type of Well: Oli GAS WELL WELL	OTHER			1	
Aname of Operator N. Date Nichots				dVell No. 6Y	
Address of Operator P.O. Box 1972, Midland, Texas 797	10-3			Pool name or Wik	
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Unit Letter <u>G</u> : 2310	Feet From The North	Line and	2310	Feet From Th	e <u>East</u> Line
8ection 5	Township 89	Range	27E	NHPM	Chaves County
	*Elevation (Show whethe 3977	I DF, RKB, RT, GR, atc	e.)		
	propriate Box to indicate	Nature of Not	ice, Rep	port, or Other	Data
NOTICE OF IN	TENTION TO:		SUBS		EPORT OF:
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OTHER:				B (r b : B & Allelan Manager yes -	
Describe Proposed or Completed Operation work) SEE RULE 1103.	s (Clearly state all partinent datails, and	d give pertinent dates, i	noluding esi	imeted date of starti	ng any proposèd
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2) 5-30-02 Pump 38 sks of camer	nt at 1908', pulled tubing to 904	0'.			
3) 5-31-02 run tubing back and ta	gged cement at 1320'. Pulled !	tubing to 403' pum	ped 25 sk	s coment and pi	illed out of hole.
4) 6-3-02 Ran tubing open ender 8 5/8" to surface. Installed Dry	l and taged cement 222'. Mixe hole marker and cleaned up low	d 25 aks coment a cation. Well is P &	nd filled h A	ole and annulas	between 4 1/2" and
I hereby certify that the information above is	true and complete to the best of my kn	owiedge and ballet.	· · · · · · · ·		
SIGNATURE A Elle		mis Manager			DATE 06-12-2002
TYPE OFFICIENT NAME John E. Nichols					TELEPHONE NO. 915-897-1578
(This spinos for State Lies)	· · · · · · · · · · · · · · · · · · ·				
				,	DATE
CONDITIONS OF APPROVAL, IF ANY:					

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. We mor	e than likely not set back in hole		
once w	e get out, if we get out		
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- 6-18-91 FL WITH ECHOMETER @ 27 JTS (') FROM SURFACE RU PULLING UNIT AND PULL RODS AND PUMP THEN PICKUP 1 JT AND TAG BOTTOM @ 1976.34' FROM SURFACE. STRAP OUT OF HOLE AND FOUND THE SN SET AT 1964.49'. LITTLE GYP ON BOTTOM JT.
- 6-19-91 RU wireline unit and tagged bottom of hole @ 1972'. With new information calculate SN @ 1960'.
- 6-11-02 RU Wilson PU run tubing with 2 3/8" X 4 1/2" tension packer to 1867'.

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- 6-12-02 Set packer and pull 11000# over tubing weight.
- 6-14-02 Move in Quintuplex pump and fill back side with water and pressure casing to 500 PSI it bleed to 460 PSI in 30 min. Wait to call OCD.
- 6-17-02 Move Wilson PU and Quintuplex pump to SS#3 to squeeze and drill out well.