



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 18, 2005

Mr. Tom R. Cone
P.O. Box 1116
Lovington, NM 88260

**Re: Featherstone Well No. 1 (API No. 30-015-05737)
Featherstone Well No. 2 (API No. 30-015-05740)
Featherstone Well No. 1 (API No. 30-015-05744)
Featherstone Well No. 4 (API No. 30-015-05747)
Donnelly Pan American Well No. 1Y (API No. 30-015-05739)**

Dear Mr. Cone:

I have received copies of Change of Operator forms filed with Bureau of Land Management changing the operatorship of these wells from SWR Resources to Tom R. Cone, and your counsel has advised me that you have reworked some of these wells and placed them on production. However, no Change of Operator (C-104A) forms have been filed with OCD.

Please initiate the change of operator procedure with OCD, and report all production from these wells to OCD as required, so that we can properly account for the status of these wells.

I have previously spoken with Mr. Houston about the need to make appropriate filings with OCD regarding these wells. If this letter does not secure compliance within fifteen days, it will be necessary to institute an enforcement action.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Assistant General Counsel

cc: Glen Houston
Tim Gum