



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

December 3, 2001

Hon. David Catanach
Hearing Examiner
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

via email

Re: Case No. 12733
Application of the New Mexico Oil Conservation Division for an Order
Requiring Operators to Bring Ninety-five (95) Wells into Compliance with
Rule 201.B and Assessing Appropriate Civil Penalties, Eddy and Chaves
Counties, New Mexico

Dear Examiner Catanach:

Herewith please find a proposed draft order for disposition of the referenced case.

Please note that the order denied the continuance requested by Julian Ard. In this connection, I invite your attention to the statement of Mr. Carr beginning on Page 65 of the transcript, and to the colloquy on Pages 114-117 of the transcript. I am not informed as to whether a bond has been filed as there discussed. Obviously, if it were determined to grant Mr. Ard's request for a continuance, the provisions denying that request (Ordering paragraph 4) and granting a compliance order as to Ard (included in Ordering paragraph 6) should be changed.

Please let me know if I can do anything further to assist you in this matter.

Very truly yours,

David K. Brooks
Assistant General Counsel

cc: Mr. James G. Bruce
Mr. William F. Carr