



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

- BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

August 27, 2007

H. Dwayne Parrish
1306 S. 9th Street
Artesia, New Mexico 88210

Dear Mr. Parrish:

As we discussed in our August 22, 2007 meeting, you will need to address the six wells subject to Order R-11934 before the Oil Conservation Division ("OCD") will be willing to negotiate an inactive well agreed compliance order for your other inactive wells.

Once you return to compliance or transfer to another operator at least four of the six wells subject to Order R-11934, the OCD will negotiate an inactive well agreed compliance order covering your other inactive wells.

If you return to compliance or transfer to another operator at least four of the six wells subject to Order R-11934 by February 28, 2008, and return to compliance or transfer the remaining wells subject to Order R-11934 by August 28, 2008, the OCD will not initiate proceedings to recover the \$30,000.00 penalty imposed in Order R-11934. If, however, you fail to meet those deadlines, the OCD will take action in the penalty assessment.

Concerning the Adkins Williams State No. 001 and 006, which were the subject of ACO-7-186, those wells are still out of compliance with OCD Rule 19.15.9.703 NMAC ("Rule 703") and are subject to future enforcement action.

The \$2,000.00 penalty that OCD conditionally waived in ACO 7-186 on your bringing the Adkins Williams State No. 001 and 006 wells into compliance with Rule 703 by August 17, 2007 is now due. Please send a certified or cashier's check for \$2,000.00 made payable to the "New Mexico Oil Conservation Division" to the New Mexico Oil Conservation Division, Attention: Director, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

Case 14164
Parrish, H. Dwane & Rhonda K.
OCD Exhibit No. 8

H. Dwayne Parrish
August 27, 2007
Page 2 of 2

Please feel free to contact me should you have any questions.

Sincerely yours,


Sonny Swazo
OCD Assistant General Counsel

cc: Daniel Sanchez, OCD Compliance Director
Gail MacQuesten, OCD Assistant General Counsel
Tim Gum, OCD District II Supervisor
Gerry Guye, OCD District II Inspector