



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

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

February 21, 2008

Ms. Ocean Munds-Dry
Holland & Hart LLP
P.O. Box 2208
Santa Fe, NM 87504-2208

Re: Americo Energy Resources, LLC, OGRID 228051

Dear Ms. Munds-Dry,

I want to thank you and Mr. Nosrati for meeting with Sonny Swazo, Daniel Sanchez and myself this morning regarding Americo Energy Resources, LLC's outstanding compliance issues.

During our conversation, Mr. Nosrati stated his belief that an inactive well could be returned to compliance by passing a mechanical integrity test (MIT). As I explained, an inactive well can be returned to compliance if it is placed on approved temporary abandonment status. While a successful MIT test is one requirement for approved temporary abandonment status, a successful MIT test is not the only requirement.

To follow up on that thought, I am enclosing a copy of a letter from myself to Mr. Nosrati, dated October 16, 2006, discussing the requirements for approved temporary abandonment status.

Sincerely,

Gail MacQuesten,
OCD Attorney

Encl: Letter, dated October 16, 2006

Ec: Daniel Sanchez, Compliance and Enforcement Manager
Sonny Swazo, OCD Attorney

Case 14189
Americo Energy Resources, LLC
OCD Exhibit No. 18