



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

29 July 2002

Jim Pierce
200 West First, Suite 859
Roswell, New Mexico 88203

RE: Leonard State # 4

(I-1-19-294) API 30-015-03539

Dear Sirs:

This directive is to notify you that this well is in violation of Rule 201.

On 17 June, 2002 a letter was sent notifying you the well was not in temporary abandonment status and could not be deemed as such until Rule 203 was satisfied. A MIT Test was scheduled for 6-12-2002 at 10:00 A.M.. A company representative did not show for the test.

Please contact Gerry Guye at the Artesia Office (505-748-1248) and schedule another date for the test. *Incorrect. -*
The test must be scheduled and performed on or before 15 August, 2002. If the test is not done by the date indicated the authority to inject will be withdrawn. If the authority is withdrawn and you wish to inject into the well in the future, the C-108 permitting process will have to be repeated.

In the event that a satisfactory response is not received to this letter of direction by 15 August, 2002, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

Sincerely,

Van Barton
Field Rep. II

OCD Exhibit No. 1
Case No. 13066
August 7, 2003

Oil Conservation Division * 1301 W Grand *
Phone: (505) 748-1283 * Fax (505) 748-9720 *

7-31-02
10:30 A.M. →

Deeg Becker
called Gerry -
said ~~that~~ he would talk to
Jim to change status to
an oil well & T.A. well

No tubing in hole
As per Deeg B.
7-31-02