



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 8, 2002

George A. Chase, Jr.
P.O. Box 1618
Artesia, NM 88211

CERTIFIED MAIL

**Re: Case No. 12906
Application of the New Mexico Oil Conservation Division for an Order
Requiring George A. Chase, Jr. to Bring One (1) Well into Compliance with
Rule 201.B, and Assessing Appropriate Civil Penalties; Eddy County, New
Mexico.**

Dear Mr. Chase:

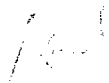
You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application, a copy of which is enclosed herewith, seeking an order requiring you to bring your Superior Federal Well No. 1 in Eddy County, New Mexico into compliance with Division Rule 201.B, by either restoring said well to production or beneficial use, permanently plugging and abandoning or temporarily abandoning same. In addition, the Division seeks assessment of civil penalties for your failure to comply with previous administrative notices to bring this well into compliance.

A hearing on this Application will take place before a Division hearing officer on Thursday, August 1, 2002, at 8:15 a.m., in the Division Hearing Room, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing you will have an opportunity to show cause, if any there be, why an order should not be entered as requested in the Application. **The Division will not seek assessment of a penalty if your well is in full compliance on or before the day of the hearing.**

Operational inquiries concerning the subject of this hearing should be directed to Mr. Tim Gum, District Supervisor, Oil Conservation Division, 1301 West Grand Avenue, Artesia,

NM 88210; phone (505)-748-1283. Counsel may contact the undersigned in the Santa Fe office at (505)-476-3450.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'DKB', is positioned above the printed name.

David K. Brooks
Assistant General Counsel

cc: Tim Gum