



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT I HOBBS
1625 N. French Drive, Hobbs, NM 88241
(505) 393-6161
FAX (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

August 24, 1999

Novy Oil and Gas, Inc
125 N. Market, Ste 120
Wichita, Ks 67202

RE: Option Federal # 5
Unit Letter L , Section 35, Township 8 South, Range 35 East
State 6 # 1
Unit Letter G, Section 6, Township 10 South, Range 34 East
State 17 # 1
Unit Letter K, Section 17, Township 10 South, Range 34 East
Sunoco Federal # 1
Unit Letter K, Section 5, Township 9 South, Range 34 East
Government C Com # 1
Unit Letter G, Section 1, Township 9 South, Range 34 East

Gentlemen:

Through routine inspection it has come to our attention that the above referenced wells have been shut in for an extended period of time. Producing wells cannot be shut in for longer than one year. The following options are available regarding the future disposition of this well:

1. Restore the well to production.
2. Set plug, conduct mechanical integrity test, and request temporary abandoned status.
3. Submit a proposal to plug and abandon the well and proceed with plugging on a timely basis subsequent to District 1 approval.

To avoid further action, we request that you exercise one of the above options no later than November 22, 1999.

We request that you notify this office 24 hours prior to commencement of any operation in order to witness the field operations.

Very truly yours

OIL CONSERVATION DIVISION

Billy Prichard
Deputy Inspector, District 1

Xc: Chris Williams
Gary Wink
File