



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director

Oil Conservation Division

30 January 2003

Via Certified Mail

Jim Pierce
Petroleum Bldg. 200 W. 1st, Suite 859
Roswell, New Mexico 88203

RE:

State "S" #2

A-12-19-29

API# 30-015-03582

Leonard "A" State # 1

B-12-19-29

API# 30-015-03603

Leonard State # 4

I-1-19-29

API# 30-015-03539

Dear Mr. Pierce,

This letter is being sent in part because all of the other correspondence dating back to 17 June, 2002 have caused the wells to be brought into compliance.

Rule 201 of the New Mexico Oil Conservation Division provides as follows:

201 WELLS TO BE PROPERLY ABANDONED

201.A. The operator of any well drilled for oil, gas or injection; for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof. [7-12-90...2-1-96]

201.B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within ninety (90) days after:

- (1) A sixty (60) day period following suspension of drilling operations, or
- (2) A determination that a well is no longer usable for beneficial purposes, or
- (3) A period of one (1) year in which a well has been continuously inactive.

While a single well bond may cover your wells, this does not entitle them to be left out of compliance indefinitely. Please submit a form C-103 detailing how they will be brought into compliance. Please have these forms in the Artesia office on or before 28 February, 2003.

Thank you for your help

Van Barton
Field Rep. II

OCD Exhibit No. 5
Case No. 13066
August 7, 2003