



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

13 June 2003

Melrose Operating Co.
C/O West Texas Oil Reports
P.O. Box 953
Midland, Texas 79702

RE: Artesia Unit # 19 L-36-17-28 API 30-015-01760 Violation of Rule 1115:
Non Reporting

Dear Sirs:

This second directive is to notify you that this well is still in violation of Rule 1115.

On 6 March, 2003 a letter was sent notifying you on the violation of Rule 1115. An inspection of the records on 6 June, 2003 found no action had been taken.

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

1115 OPERATOR'S MONTHLY REPORT (Form C-115)

1115.A. Operator's Monthly Report, Form C-115 or Form C-115-EDP, shall be filed on each producing lease and each secondary or other enhanced recovery project or pressure maintenance project injection well within the State of New Mexico for each calendar month, setting forth complete information and data indicated on said forms in the order, format, and style prescribed by the Division Director. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests. [1-1-65...2-1-96]

In the event that a satisfactory response is not received to this letter of direction by 13 July, 2003, 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