



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

18 February 2004

Concho Oil & Gas Corp.
110 West Louisiana, Suite 410
Midland, Texas, 79701

RE: McCaw Gas Com # 1 F-19-18-26 API 30-015-20323 Violation of Rule 202:

Dear Sirs:

This directive is to notify you that this well is still in violation of Rule 202.B

On 15 November, 2002 a letter was sent requesting notification of completion of cleanup requirements. To date no notification has been received. You are in violation of Rule 202.B.3.

An excerpt of Rule 202 of the New Mexico Oil Conservation Division provides as follows:

202.B WELLS TO BE PROPERLY ABANDONED

(3) As soon as practical but no later than one year after the completion of plugging operations, the operator shall:

- (a) fill all pits;
- (b) level the location;
- (c) remove deadmen and all other junk; and
- (d) take such other measures as are necessary or required by the Division to restore the location to a safe and clean condition.

In the event that a satisfactory response is not received to this letter of direction by 1 March, 2004, 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. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

Sincerely,

Van Barton
Field Rep. II