

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 13, 2006

Frank Gentry, Director of Outside Operations SMOKEY OIL COMPANY PO BOX 2360 Casper Wyoming 82602

Re: Schmitz Anticline Fed #1, K Sec 25 24N 01W, API 30-39-23379

Dear Mr. Gentry:

Our records indicate the above listed well is inactive and not in compliance with Rule #201.B. The last reported production was in September 1991. On April 7, 2004 you filed a Notice of Intent to plug and abandon the well. No work has been conducted on this well.

You are hereby directed to bring this well into compliance before April 20, 2006.

Review Rules 202 and 203 for the necessary filing requirements to plug and abandon, temporarily abandon or return this well to production.

If you have any questions, please call me at 505-334-6178, ext. 11.

Sincerely yours,

Charlie T. Perrin
District III Supervisor
charlie.perrin@state.nm.us

Charlie T. Lerrin

CTP/sb

CC: Well Files