



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



October 20, 2010

Nadel and Gussman Heyco, LLC
P.O. Box 1936
Roswell, NM 88202-1936

Re: Nadel and Gussman Heyco, LLC, OGRID 258462
Pearsall 6 Fed. #1, 30-025-35680

Dear Operator:

Rule 19.15.5.9.F(2) NMAC provides that the listing of a well on the Oil Conservation Division's (OCD's) inactive well list as a well inactive for more than one year plus 90 days creates a rebuttable presumption that the well is out of compliance with 19.15.25.8 NMAC (the inactive well rule).

An operator may rebut that presumption by providing evidence that the well is in compliance with the inactive well rule.

The well identified above currently appears on the OCD's inactive well list as a well inactive for more than one year plus 90 days. However, Nadel and Gussman Heyco, LLC has provided documentation showing that the well was returned to production in October 2010. The C-115 production report for October production is not due until December 15, 2010. Once the C-115 reporting production for the well is filed, the well should not appear on the inactive well list.

Nadel and Gussman Heyco LLC has rebutted the presumption created by Rule 19.15.5.9.F(2) NMAC as to the well identified above.

Although this well still appears on the inactive well list, until December 16, 2010 the OCD should not consider the well as out of compliance with 19.15.25.8 NMAC when determining Nadel and Gussman Heyco LLC's compliance with Rule 19.15.5.9 NMAC.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Fesmire".

Mark Fesmire, Acting Division Director
Oil Conservation Division



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Ec: Larry "Buddy" Hill, District I
Randy Dade, District II
Charlie Perrin, District III
Ed Martin, District IV
Dorothy Phillips, Financial Assurance Administrator