

50 YEARS



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 8, 1986



1935 - 1985

POST OFFICE BOX 2068
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

CERTIFIED - RETURN
RECEIPT REQUESTED

Mr. Jack L. Cayias
457 C Washington, S.E.
Albuquerque, New Mexico 87108

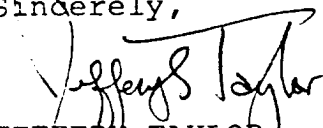
Re: "Charles M #3"
Unit L, Sec. 1, T-25-N, R-3-W

Dear Mr. Cayias:

I have been informed by our Aztec District Office that the above-referenced well does not have a plugging bond. Under the rules of the Division, no well may be drilled or otherwise permitted without a valid bond in force. Because you have not responded to the District's request that the well be bonded, I am giving you notice that if the well is not bonded within thirty (30) days of the date of this letter, the Division will take action to have the well plugged and take legal action against you to recover all costs relating thereto. In addition, the Division has ordered the well plugged, which order you have also ignored. Your failure to abide by the Regulations of the Division subjects you to a penalty of \$1,000 a day. Failure to take immediate action to remedy this situation by filing a proposed plugging program will result in imposition of such a fine pursuant to Section 70-2-31 NMSA 1978.

If you have any questions regarding this matter, you may call the Aztec District Office at (505) 334-6178 or myself at (505) 827-5805.

Sincerely,


JEFFERY TAYLOR
General Counsel

cc: Frank Chavez - Aztec
Charles Ghoulson - Aztec
R. L. Spangels - Santa Fe

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RECEIVED
MAY 09 1986
OIL CON. DIV. 1
DIST. 3