



Garrey Carruthers
Governor

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

July 19, 1989

Mr. Fred Shelton
Spur Oil Co.
Box 528
Chama, NM 87520

Re: Quinlan Ranch #2, O-4-T1S-R2E ✓

Dear Mr. Shelton:

After my inspection of 7-14-89, I have concluded that the drilling of the referenced well rather than the South #1 was a legitimate mistake. I recommended to our Legal Department that no penalty be imposed. They have agreed to this.

As I am sure you are aware, the drilling of a well without an approved C-101 is a very serious breach of our rules and regulations. I strongly urge you to take more care before spudding a well in the future.

Yours truly,

A handwritten signature in cursive script, appearing to read "Charles Gholson".

Charles Gholson
Deputy Oil & Gas Inspector, Dist. 3

CG/gb