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State of New Mexico
Department of Energy, Minerals and Natural Resources.
Oil Conservation Division.

RE; Deadline for all Wells to be in compliance.

I certainly understand that by necessity the Commission has Rules that we must go by, I am also aware that the commission has had to P & A many Wells in the past, (and still are of course) On the other hand there are many Small Operators that are in jeopardy of losing their Bonds, which will put us out of business. I am a very small part of this equation, but I truly believe I am contributing a great deal by producing many Stripper Wells. These are Wells which the larger Companies can not produce because of their Overhead.

I am also aware that these Wells do not produce very much Oil per Well, but as you know overall they produce a very good percentage of our gross production both locally and Nationwide. They also of course produce a good part of the Revenue for, not only the individuals but also for the States, Countys and the Nation.

As you are well aware the drastic drop in Crude Oil Prices in early 1998 has made a very bad hardship on the small operators, and personally I am just now beginning to recover from this. Even though prices have been very fair in the last years it has been difficult for us.

Another part of this equation has been the lack of availability of Equipment, especially Pulling Units. (Check with Mr. Tim Gumm in Artesia). They have only become available to any extent in the last two Weeks, since the price has fallen again. This puts us in a catch 22 situation of course, we can get the Equipment but can we afford it?

I guess in the end I am asking you to see if there is not an alternative to us losing our Bonds and of course our livelihood. I also feel that this is not the time to jeopardize any of our production due to the uncertainty of what may happen in the areas where we get so much of our Energy.

I thank you for your consideration in this matter.



Dalton Bell

cc: Numerous

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DIVISION