

7001 1940 0004 7919 3481

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
*(Domestic Mail Only: No Insurance Coverage Provided)*

**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: **SWR Operating Co.**  
 Street, Apt. No., or PO Box: **2100 Charles Langston**  
 City, State, ZIP+4: **2100 McKinney Ave. Dallas, TX 75201**

PS Form 3800, January 2001 See Reverse for Instructions

**CERTIFIED MAIL**

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

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Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: **SWR Operating Co.**  
 Street, Apt. No., or PO Box No.: **c/o Charles Langston**  
 City, State, ZIP+4: **2100 McKinney Ave. Dallas, TX 75201**

PS Form 3800, January 2001 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
**SWR Operating Co.**  
**c/o Charles Langston**  
**2100 McKinney Avenue**  
**Dallas, TX 75201**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Agent  
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
*(Transfer from service label)*  
**7001 1940 0004 7919 3481**

PS Form 3811, August 2001 Domestic Return Receipt

102595-01-M-2509



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**

Governor  
**Betty Rivera**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

April 10, 2002

SWR Operating Co.  
c/o Charles Langston  
2100 McKinney Ave.  
Dallas, TX 75201

**VIA CERTIFIED MAIL**

**Re: Non-Compliant Wells  
NMOCD Order No. R-11710**

Ladies and Gentlemen:

On January 15, 2002, following a show cause hearing held in Santa Fe on October 4, 2001, the New Mexico Oil Conservation Division entered its referenced order, a copy of which is attached, directing SWR Operating Co. to bring fourteen (14) inactive wells in Eddy County, New Mexico into compliance with NMOCD rules by either (1) restoring these wells to production, (2) causing them to be plugged and abandoned, or (3) securing approval for temporary abandonment pursuant to NMOCD Rule 203.

The wells that are the subject of this order are the following:

Donnelly Pan American Well No. 1Y (API No. 30-015-05739)  
Featherstone Well No. 1 (API No. 30-015-05737)  
Featherstone Well No. 1 (API No. 30-015-05744)  
Featherstone Well No. 2 (API No. 30-015-05740)  
Featherstone Well No. 4 (API No. 30-015-05747)  
Featherstone Federal Well No. 1 (API No. 30-015-05732)  
Hodges Federal Well No. 1 (API No. 30-015-05752)  
Keohane C Federal Well No. 1 (API No. 30-015-05595)  
Nickson A Well No. 1 (API No. 30-015-05731)  
Shugart B Well No. 1 (API No. 30-015-05670)  
Shugart B Well No. 3 (API No. 30-015-05672)  
Welch A Well No. 1 (API No. 30-015-05726)  
Welch A Well No. 3 (API No. 30-015-05728)  
Welch A Well No. 4 (API No. 30-015-05729)

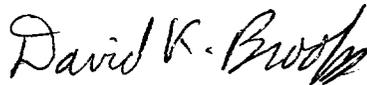
The time provided in said order for compliance expired on February 14, 2002. We have been unable to contact your company to notify you of the order. At this time, we will

require a specific plan to bring these wells into compliance. This should be submitted in the form of C-103 detailing your plans for each wells. We realize that these wells are on federal land, and the original C-103s must be filed with the BLM. However, in order that we can monitor your compliance with this order, copies should be sent to the OCD Artesia District office. We expect to receive this documentation together with a time frame for full compliance within fifteen (15) days from the date of this letter.

If you fail to comply, OCD may proceed to cause these wells to be **permanently plugged and abandoned** by the State of New Mexico. In that event, SWR's plugging bond (if any) will be forfeited, any active wells may be shut in, and the Division will look to SWR for reimbursement for costs incurred in excess of the amount of your bond. In addition **civil penalties may be assessed** for SWR's violation of NMOCD rules and orders.

Should you have any questions, please call me at (505)-476-3450 or contact Tim Gum or Van Barton in the Artesia District Office at (505)-748-1283.

Very truly yours,

A handwritten signature in cursive script that reads "David K. Brooks". The signature is written in black ink and is positioned below the "Very truly yours," text.

David K. Brooks  
Assistant General Counsel

cc: Tim Gum, OCD Artesia