



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Jennifer A. Salisbury  
Cabinet Secretary

Lori Wrotenbery  
Director  
Oil Conservation Division

## FINAL NOTICE

### CERTIFIED MAIL

DECEMBER 26, 2000

CHI OPERATING, INC.  
P.O. BOX 1799  
MIDLAND, TX 79702

### RE: INACTIVE NON-COMPLIANCE WELLS

The Oil Conservation Division (OCD) currently is addressing all inactive non-compliance wells as a top priority statewide project. A mass mail out was made on May 11, 2000 requesting information from each operator that had inactive wells. A second mail out was made on September 8, directing each operator as part of this project to provide additional information based on how they had responded to the May 11, 2000 letter.

By copy of this letter, the OCD director is requested to schedule a "Show Cause Hearing" to allow you the opportunity to appear and to show way a shut in order, order to plug and abandon all inactive non-compliance wells and/or to call for the forfeiture of your statewide bond is not issued. If your bond is called you can no longer operate in the State of New Mexico.

The "Show Cause Hearing" will be stayed if an aggressive plan being detailed and specific as to type of work and time frame to bring all non-compliance wells into compliance is received in this office within 30 days of receipt of this letter.

Attached is the latest (11/16/00) OCD list of inactive non-compliance wells for your company.

TIM W. GUM

*Tim W. Gum*

DISTRICT II SUPERVISOR  
OIL CONSERVATION DIVISION

XC: LORI WROTENBERY ---- DIRECTOR  
OCD ATTORNEY  
ATTACHMENT

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
OCD EXHIBIT NO. 59
CASE NO. 12811

API #	Type	Last Production/ Injection	Well Name and Number	ULSTR	FNS	FEW	Surface Owner
30-015-20838	G	05-1988	YATES STATE #001	K-10-21S-27E	1980S	1980W	S
30-015-28457	O	04-1996	MILLMAN STATE #001	M-11-19S-28E	660S	660W	S

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

7000 0600 0026 1537 0311

Postage	\$ .33
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 2.98</b>

Postmark  
Here

Recipient's Name (Please Print Clearly) (to be completed by mailer)  
**Chi Operating Inc**  
 Street, Apt. No., or PO Box No.  
**PO Box 1799**  
 City, State, ZIP+4  
**Midland TX 79702-1799**

PS Form 3800, February 2000

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:

**Chi Operating Inc**  
**PO Box 1799**  
**Midland TX 79702-1799**

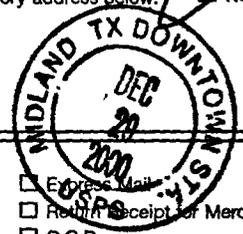
2. Article Number (Copy from service label)  
**7000 0600 0026 1537 0311**

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature  
*[Handwritten Signature]*  
 Agent  
 Addressee

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



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

4. Restricted Delivery? (Extra Fee)  Yes