

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Betty Rivera Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

Twining Drilling Corp. 332 White Oak Drive NE Albuquerque, New Mexico 87112-1411 Attn. Mr. Nathan Twining

Re: Operations in Socorro and Valencia Counties

Dear Mr. Twining

I have attempted to receive updated reports on your operations in the above referenced counties and as of yet to receive the data as per our rules and regulations. Mr. Rutherford of your office has attempted to file Sundry Notices on these wells several weeks ago at which time I denied as they had no pertinent information on them. He then informed that no records could be found or were not kept on these wells and that the data that the NMOCD requires would be nebulous at best. After 30 years of experience in this industry I must say that I have never witnessed such mismanagement of an exploration program as you are conducting in this area.

As of this date (3/28/2002) you are ordered to cease all operations and shut in your three wells in these referenced counties. This office requires that ALL required Sundry Notices under Division Rule 1103 showing the detailed configuration of each well and with dates of work be in this office no latter than the close of business on April 4, 2002. Failure to do so will result in setting this matter for public hearing at which time your bond will be forfeited and this office will plug and abandon these wells in a proper fashion.

I anticipate your immediate attention in this matter and if you have any questions please contact me at this office.

Roy E. Johnson District Supervisor

cc. NMOCD Legal Dept.