



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

June 21, 2004
Cimarex Energy Company
14 East 5th St., Suite 1000
Tulsa, OK 74103
Attn: Mr. Steve Simonton/Michelle Farrell

**RE: In order to shut-in a gas well which is operated by Cimarex Energy Company.
The Wagon Wheel '13' Federal #1, located in Section 13 of Township 22 South, Range 22
East, 1980 'FSL & 1980' FWL, Eddy County, New Mexico, NMPM.
API # 30-015-33260**

Dear Mr. Simonton/Ms. Michelle Farrell or to Whom It May Concern,

In reference to the above it has been learned that this well is in violation to New Mexico Oil Conservation Division Rules and Regulations.

During a phone conversation with your company on June 15, 2004 we have been informed that this well has been producing since April 22, 2004.

Please refer to NMOCD Rules 1103.B, 1104.A and 1105.A. as noted below:

1103.B. Form C-103 as a Subsequent Report

- (1) Form C-103 as a subsequent report of operations shall be filed in accordance with the section of this rule applicable to the particular operation being reported. [1-1-65...2-1-96]
- (2) Form C-103 is to be used in reporting such completed operations as:
 - (a) Commencement of drilling operations
 - (b) Casing and cement test
 - (c) Altering a well's casing installation
 - (d) Temporary abandonment
 - (e) Plug and Abandon
 - (f) Plugging back or deepening
 - (g) Remedial work
 - (h) Installation of artificial lifting equipment
 - (i) Change of operator of a drilling well
 - (j) Such other operations which affect the original status of the well but which are not specifically covered herein.

1104.A. Form C-104 completely filled out by the operator of the well must be filed in QUINTUPLICATE before an allowable will be assigned to any newly completed or recompleted well. (A recompleted well shall be considered one which has been deepened or plugged back to produce from a different pool than previously.) Form C-104 must be accompanied by a tabulation of all deviation tests taken on the well as provided by Rule 111. [1-1-65...2-1-96]

1105.A. Within 20 days following the completion or recompletion of any well, the operator shall file Form C-105 with the Division. It must be filed in QUINTUPLICATE and each copy accompanied by a summary of all special tests conducted on the well, including drill stem tests. In addition, one copy of all electrical and radio-activity logs run on the well must be filed with Form C-105. If the Form C-105 with attached log(s) and summaries is not received by the Division within the specified 20-day period, the allowable for the well will be withheld until this rule has been complied with. [1-1-65...2-1-96]

Due to the fact that this well is apparently in violation to the above rules, this well is to be shut-in today as of June 22, 2004. Furthermore, said well is to remain shut-in until compliance of these rules are met. Please call me if you have any questions regarding this matter.

Yours truly,

Bryan G. Arrant
PES

E mail: Tim Gum, District Supervisor-Artesia
David K. Brooks, Legal Council-Santa Fe