



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

8/9/2004

Mack Energy Corp
PO Box 960
Artesia, NM 88211

RE: Red Lake Sand Ut # 17 M-20-17-28 30-015-01480

Gentlemen;

This second directive is to notify you that this well is still in violation of Rule 704.

An inspection of records on July 1, 2004, on the above referenced well, revealed the well had not been tested for Mechanical Integrity in the year 2004. THIS IS IN VIOLATION OF RULE 704 of the NMOCD Rules and Regulations.

A letter notifying you of the above information was sent July 1, 2004, with a Compliance Required Due Date of August 6, 2004. A further review of records, as of this date, reveal no action has been taken to bring these wells into compliance.

In the event that a satisfactory response is not received to this letter of direction by August 23, 2004, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

Sincerely,

Gerry Guye
Deputy Field Inspector