



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

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Mark E. Fesmire, P.E.

Director

Oil Conservation Division

RECEIVED

AUG 09 2004

ODD-ARTESIA

August 1, 2004
Echo Production Company
P.O. Box 1210
Graham, TX 76450
Attn: Mr. Tom Golden

**RE: Compliance notice for Echo Production, Inc,' Stiletto '21' Federal Com. # 1, located in
Unit H of Section 21, Township 20 South, Range 25 East, Chaves County, New Mexico, NMPM
API # 30-015-33096**

Dear Mr. Golden,

This letter (e-mail) is in regards to the above noted well and our conversation on July 19, 2004 requesting submittal and re-submittal of NMOCD regulatory forms. According to our records, NMOCD form 105 has not been submitted as requested. In addition, NMOCD form C-103 that was submitted is delinquent. Information of the actual time "wait on cement time" (WOC) is lacking for all casing strings and the pressure testing and length of the test is not reported on the casing strings. In addition, the type of cement, the method of determination of top of cement on the production casing string is lacking. The regulatory information, which you have submitted, is in violation to NMOCD Rule 1105.A as reporting this information has not been submitted in a timely manner. I see that the well was completed on March 3, 2004 and we did not receive your forms until July 28, 2004. In order for you to be more aware of our rules and regulations, please visit our web-site at <http://www.emnrd.state.nm.us/ocd>

For your convenience, I have provided our rules that I find this well is in violation of:

19.15.13.1103
SUNDRY NOTICES AND REPORTS
ON WELLS (Form C-103):

D. Report of results of test of casing and cement job; report of casing alteration: A report of casing and cement test shall be filed by the operator of the well within ten days following the setting of each string of casing or liner. Said report shall be filed in triplicate on form C-103 and shall present a detailed description of the test method employed and the results obtained by such test and any other pertinent information required by 19.15.1.107 NMAC. The report shall also indicate the top of the cement and the means by which such top was determined. It shall also indicate any changes from the casing program previously authorized for the well.

I. All casing strings except conductor pipe shall be tested after cementing and before commencing any other operations on the well. Form C-103 shall be filed for each casing string reporting the grade and weight of pipe used. In the case of combination strings utilizing pipe of varied grades or weights, the footage of each grade and weight used shall be reported. The results of the casing test, including actual pressure held on pipe and the pressure drop observed shall also be reported on the same Form C-103.

19.15.13.1105 WELL
COMPLETION OR RECOMPLETION
REPORT AND LOG (Form C-105):

A. Within 20 days following the completion or re-completion 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.

19.15.3.107 CASING AND
TUBING REQUIREMENTS:

(1) Casing strings in wells drilled with rotary tools shall be pressure tested. Minimum casing test pressure shall be approximately one-third of the manufacturer's rated internal yield pressure except that the test pressure shall not be less than 600 pounds per square inch and need not be greater than 1500 pounds per square inch. In cases where combination strings are involved, the above test pressure shall apply to the lowest pressure rated casing used. Test pressures shall be applied for a period of 30 minutes. If a drop of more than 10 percent of the test pressure should occur, the casing shall be considered defective and corrective measures shall be applied.

Therefore, in order for your company to be in compliance with the EMNRD's Rules and Regulations, please resubmit/submit information as requested.

Respectfully yours,

Bryan G. Arrant
PES

E-Mail: Tim Gum- District Supervisor, Artesia