

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

2 June 2003

Reliance Energy, Inc. 6 Desta Drive, Suite 5500 Midland, Texas 79705

RE: Willow Spring 34 State # 1

F-34-4-25

API 30-005-63251 Violation of Rule 201:

Well needs to be properly abandoned.

Willow Spring 23 Sate # 1

F-23-4-25

API 30-005-63290 Violation of Rule 201:

Well needs to be properly abandoned.

Dear Sirs:

This second directive is to notify you that these wells are still in violation of Rule 201.

On 21 February, 2003 a letter was sent notifying you on the violation of Rule 201. An inspection of the wells found no action has been taken.

To bring the wells into compliance you have 3 options:

- 1. Put the wells into production.
- 2. T.A. the wells.
- 3. P. A. the wells.

In the event that a satisfactory response is not received to this letter of direction by 5 July, 2003, 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,

Van Barton Field Rep. II