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1-202

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88210

Recipient
SAGA PETROLEUM
415 W WALL, SUITE 1900
MIDLAND TX 79701
7000 0600 0026 1537 1653

PS Form 3811, December 1994

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

SAGA PETROLEUM
415 W WALL, SUITE 1900
MIDLAND TX 79701
7000 0600 0026 1537 1653

4a. Article Number

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☒ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

1-4-2

5. Received By: (Print Name)

LORIN J. RULLA

6. Signature: (Addressee or Agent)

(X) Lorin J. Rulla

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

12/28/01

Via Certified Mail

Saga Petroleum
415 West Wall Suite 1900
Midland, Texas 79701

RE: NOTICE OF VIOLATION: NMOCD Rule 201.B
Saga Petroleum
West Henshaw Premier Unit # 1 L-2-16-30 API# 30-015-03818

Dear Sirs:

This letter shall serve as a Notice of Violation of the rules of the New Mexico Oil Conservation Division.

Saga Petroleum was by letters dated 5-04-2001, 9-05-2001, and 11-20-2001 notified about this matter. This certified letter is being sent in part because all directives have brought no response.

OCD's rules require that :

201 WELLS TO BE PROPERLY ABANDONED

201.A. The operator of any well drilled for oil, gas or injection; for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof. [7-12-90...2-1-96]

201.B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within ninety (90) days after:

- (1) A sixty (60) day period following suspension of drilling operations, or
- (2) A determination that a well is no longer usable for beneficial purposes, or
- (3) A period of one (1) year in which a well has been continuously inactive.

In the event that a satisfactory response is not received to this **N.O.V.** by 15 January, 2002, this office will apply to the Division for an order showing cause why an appropriate Order permanently abandoning the above-referenced well and for appropriate penalties to be issued.

Respectfully yours,

Tim Gum, District Supervisor, District II

cc: OCD Legal

Submit 3 Copies To Appropriate District
Office

District I

1625 N. French Dr., Hobbs, NM 87240

District II

811 South First, Artesia, NM 87210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-03818
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Saga Petroleum LLC		6. State Oil & Gas Lease No. E5131
3. Address of Operator 415 W Wall, Suite 1900 Midland, TX 79701		7. Lease Name or Unit Agreement Name W Henshaw Prem Unit Tract 15
4. Well Location Unit Letter <u>T</u> : <u>1980</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line Section <u>2</u> Township <u>16S</u> Range <u>30E</u> NMPM County <u>Eddy</u>		8. Well No. <u>1</u>
10. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. Pool name or Wildcat Henshaw Grayburg

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐OTHER: Return SI POW to active ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☒ PLUG AND ABANDONMENT ☐CASING TEST AND CEMENT JOBS ☐OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting and proposed work). SEE RULE 1103. For Multiple Completions: Attach diagram of proposed completion or recompletion.

Reference is made to Violation Rule 201 - Inspection No. MLB012485699

Saga plans on returning this SI oil well to active status - rods & tbg are in the well.
The power company has been called to supply electricity. Work will begin as soon as possible.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bonnie Husband TITLE Production Analyst DATE 12/13/2001Type or print name Bonnie Husband Telephone No. (915)684-4293

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any: