



# NEW MEXICO ENERGY, MINERAL & LAND NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor  
Betty Rivera  
Cabinet Secretary

Lori Wrotenbery  
Director  
Oil Conservation Division

*Hold Action For  
Sale As Per Tim  
Gum - 4-1-02*

11 March 2002

Via Certified Mail

7001 1940 0001 9971 2474

G P II Energy, Inc.  
P.O. Box 50682  
Midland, Texas 79710

RE: NOTICE OF VIOLATION: NMOCD Rule 201

G P II Energy, Inc.

North Square Lake Unit #22	D-29-16-31	API# 30-015-04905
North Square Lake Unit #20	B-30-16-31	API# 30-015-04936
North Square Lake Unit #33	E-30-16-31	API# 30-015-20701
North Square Lake Unit #111	B-33-16-31	API# 30-015-04979

Dear Sirs:

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

Yates Petroleum Corp. was by letters dated 10-29-2001 and 2-7-2002 notified about this matter. This certified letter is being sent in part because all directives have brought no response.

## 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, 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 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.

Your failure to respond to OCD directives and failure to bring these wells into compliance are serious and merit a severe sanction, up to and including abandonment and plugging.

In the event that a satisfactory response is not received to this N.O.V. by 31 March, 2002, this off Division for an order showing cause why an appropriate Order permanently abandoning the above-ref appropriate penalties to be issued.

Respectfully yours,

Tim Gum, District Supervisor, District II  
cc: OCD Legal