



NEW MEXICO
NAT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

4 November 2002

Via Certified Mail

Sandlott Energy
P. O. Box 711
Lovington, New Mexico 88260

RE: NOTICE OF VIOLATION
Welch Duke # 1

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SANDLOTT ENERGY
PO BOX 711
LOVINGTON NM 88260

2. Article Number (Transfer of Title) 7001 1940 0001 9971 3471

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

F-28-18-28 API# 30-015-02080

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X [Signature]

☒ Agent

☐ Addressee

B. Received by (Printed Name)

N. DREW

C. Date of Delivery

11/6/02

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Ladies and Gentlemen:

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

20-11-11

You were notified of this matter by letters dated 8-21-2002 and 9-27-2002. This certified letter is being sent to you because all of the foregoing directives have brought no response.

Rule 201 of the New Mexico Oil Conservation Division provides as follows:

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 above referenced wells have remained inactive for a considerably longer time than allowed under this Rule. Your failure to respond to OCD directives and failure to bring this well into compliance are serious violations and merit a severe sanction, up to and including abandonment and plugging as well as civil penalties. In the event that this well is not brought into compliance **on or before December 5, 2002** this third and **final Notice of Violation** precedes a request to the Division that you be summoned to a hearing in Santa Fe to **Show Cause why this well should not be plugged and civil penalties assessed.**

Respectfully yours,

[Signature]

Tim Gum, District Supervisor, District II

cc: OCD Legal

Daily Field Trip Report

Inspector: Gerry Guye
Trip Date: 12/10/2002

Depart: 8:20:00 AM
Return: 2:00:00 PM
Total Field Time: 05:40

Beginning Miles: 62,068
Ending Miles: 62,159
Total Miles: 91

Vehicle Number: 43973

Additional Activities:

Time Performed	Elapsed Time	API Well No	Well Name and Number	Operator	Viol	MIT	Purpose	ULSTR	Well Type	Status	UIC?
10:01:24 AM	01:41:24 (hrs)	30-015-27592-00-00	WDW 001	NAVALO REFINING CO. PI	No	MIT Witnessed - Pressure T	O	31 17 S	28 E	A	*
10:45:06 AM	00:43:42 (hrs)	30-015-20894-00-00	WDW 002	NAVALO REFINING CO. PI	No	MIT Witnessed - Pressure T	E	12 18 S	27 E	A	*
11:30:31 AM	00:45:25 (hrs)	30-015-02080-00-00	WELCH DUKE STATE 001	SANDLOTT ENERGY (JACK	No	MIT Witnessed - Pressure T	F	28 18 S	28 E	A	*
11:51:00 AM	00:20:29 (hrs)	30-015-25371-00-00	THOMAS STATE 002	SANDLOTT ENERGY (JACK	No	Compliance Verification	A	9 18 S	28 E	A	
12:25:45 PM	00:34:45 (hrs)	30-015-24441-00-00	TRAVIS D FEDERAL 020	CBS OPERATING CORP	No	Compliance Verification	H	18 18 S	29 E	A	
01:13:54 PM	00:48:09 (hrs)	30-015-04057-00-00	BURNHAM GRAYBURG SAN ANDRES UNIT 002	CBS OPERATING CORP	No	Compliance Verification	G	2 17 S	30 E	A	
					No	Compliance Verification			Oil (Producing)	A	

Summary for Trip Date: 12/10/2002 (6 Inspection records)

Total Hours: 04:53:54

Total Non-UIC Hours: 02:28:48

Total UIC Hours: 02:25:06

2 Operator		3 OGRID		4 Month/Year		5 Page 2													
SLE				11-02															
7 POOL NO. AND NAME Property No. and Name Well No. & U-I-S-I-R API No.		INJECTION		PRODUCTION POSITION OF OIL, GAS, AND WATER															
		8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
		C	D	E	C	D	E	C	D	E	C	D	E	C	D	E	C	D	E
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
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District I
 P. O. Box 1880, Hobbs, NM 88241-1880
District II
 P. O. Drawer DD, Alamogordo, NM 88211-0719
District III
 1000 Rio Brazos, Artes, NM 87710

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South Saint Francis Drive
 Santa Fe, NM 87505
OPERATOR'S MONTHLY REPORT

Form C-115 First Page
 Revised October 17, 1993
 Instruction on Reverse Side
☐ Amended Report

2 Operator SANDLOT ENERGY		3 OGRID: 154329		4 Month Year 11-02	
5 Address: P O BOX 714, LOVINGTON, N.M. 88268					
6 Page 1					
7		8			
POOL NO. AND NAME Property No. and Name Well No. & U.L.S.T.R. API No.		INJECTION		PRODUCTION OF OIL, GAS, AND WATER	
9	10	11	12	13	14
Volume	Pressure	Barrels of oil produced	Barrels of water produced	MCF Gas Produced	Days Prod-uced
15	16	17	18	19	20
Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Barrels)	Transporter	Oil on hand at end of month
03230 ARTESIA ON-GB-SAN ANDRES					
019096 DAUGHERTY					
30-015-02589					
019098 LEVERS STATE					
30-015-02586					
30-015-02004					
019095 MCNUTT STATE					
30-015-02004					
30-015-06181					
30-015-02000					
30-015-27035					
019099 LEVERS A STATE					
30-015-02656					
30-015-26895					
30-015-26895					
019053 RESLER YATES					
30-015-02151					

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.

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Signature: Jackie Brewer
 Printed Name & Title: JACKIE BREWER

Date

Phone Number

305-396-6769

Dec 10-02

Att: Van Barton

Page 10 of 3