

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

NMOCD Rule 201 is quoted for your information:

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:

- (I) 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 office was notified on October 2, 2001 and again on January 18, 2002 of this violation and as of this date this office has received no response from you. 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 civil penalties. In the event that this well is not brought into compliance <u>on or</u> <u>before March 11, 2002</u> this third and final Notice of Violation precedes a request to the Division for an order to Show Cause why the bond should not be forfeited, the well plugged and civil penalties assessed.

Respectfully,

Gerry Guye Compliance Officer Oil Conservation Division - District II