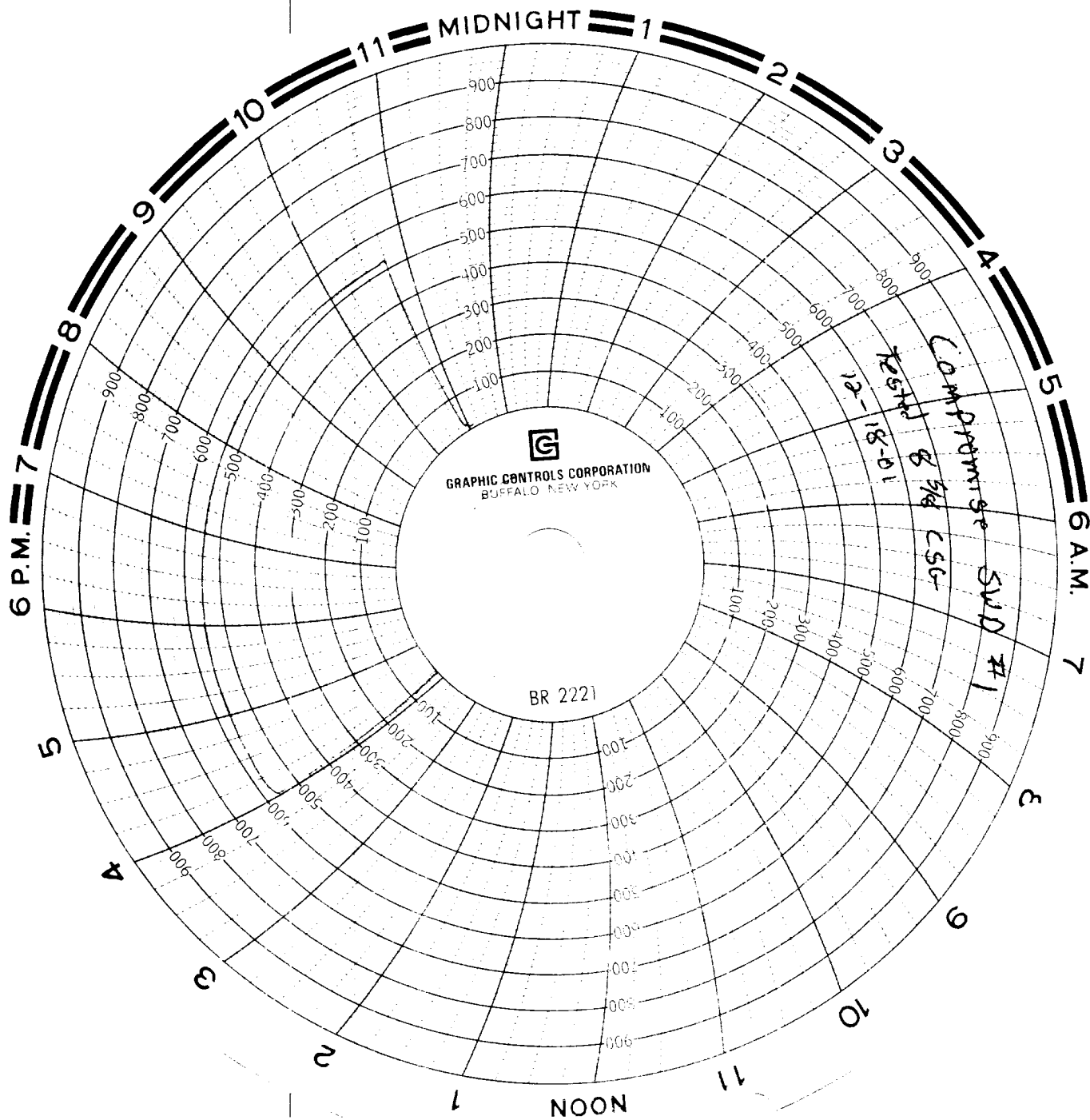


12-81-01  
Tested 8 3/8 CSC  
COMPRMISE SWD #1









# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Carol Leach  
Acting Cabinet Secretary

Lori Wrotenbery  
Director  
Oil Conservation Division

1/18/2002

**Via Certified Mail**

Yates Petroleum Corp.  
105 S. 4<sup>th</sup> St.  
Artesia, New Mexico 88210

**RE: NOTICE OF VIOLATION: NMOCD Rule 19.15.9.703 OPERATION AND  
MAINTENANCE**

Yates Petroleum Corp.  
Compromise SWD # 1 H-30-18-27 API# 30-015-25665

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 11-20-2001 and 1-2-2002 notified about this matter. A verbal shut in and directive was also issued on 6-12-2001. This certified letter is being sent in part because all directives have brought no response.

OCD's rules require that all injection wells:

Whenever there is a continuous one year period of non-injection into any injection project, storage project, salt water disposal well, or special purpose injection well, such project or well shall be considered abandoned, and the authority for injection shall automatically terminate ipso facto. (rule 19.15.9.705 C 1)

Shall be equipped, operated, monitored, and maintained to facilitate periodic testing and to assure continued mechanical integrity which will result in no significant leak in the tubular goods and packing materials used and no significant fluid movement through vertical channels adjacent to the well bore. (rule 19.15.9.703)

OCD's rule state a well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within ninety (90) days after: a period of one (1) year in which a well has been continuously inactive. (rule 201.B 3)

Your failure to respond to OCD directives and failure to bring these wells into compliance are serious violations of the Rules 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 22 February, 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