



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Oil Conservation Division

22 January 2003

Prairie Sun, Inc.

P. O. Box 8280

Roswell, New Mexico 88202-8280

RE: Tracy 29 Fed # 1	O-29-17-31	API 30-015-28142 Violation of Rule 103: Well Identification.
Connie State # 1	G-25-19-28	API 30-015-25366 Violation of Rule 103: Well Identification.
Connie State # 2	H-25-19-28	API 30-015-02301 Violation of Rule 103: Well Identification.
Connie State # 17	D-25-19-28	API 30-015-02302 Violation of Rule 103: Well Identification.

Dear Sirs:

This second directive is to notify you that these wells are still in violation of Rule 103.

On 8 August, 2002 a letter was sent notifying you on the violation of Rule 103 for the Connie "C" wells. On 16 December, 2002 a letter was sent notifying you on the violation of Rule 103 for the Tracy Federal. Field inspections on 17 January and 21 January, 2003 found no action has been taken.

Rule 103 of the New Mexico Oil Conservation Division provides as follows:

103 SIGN ON WELLS

All wells and related facilities by the Division shall be identified by a sign, which sign shall remain in place until the well is plugged and abandoned and the related facilities are closed. For drilling wells, the

sign shall be posted on the derrick or not more than 20 feet from the well. The sign shall be of durable construction and the lettering shall be legible and large enough to be read under normal conditions at a distance

of 50 feet. The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive

sequence. An operator will have 90 days from the effective date of an operator name change to change the

operator name on the well sign unless an extension of time, for good cause shown along with a schedule for making the changes, is granted. Each sign shall show the: