



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Jennifer A. Salisbury  
Cabinet Secretary

Lori Wrotenbery  
Director  
Oil Conservation Division

February 1, 2001

Harvey E. Yates Company  
P.O. Box 1933  
Roswell, NM 88202  
Attn: Steve Yates

**RE: Loco Hills Welch Well #5, located in Sec. 4, Township 18 South, Range 29 East  
Unit (L), 1450'FSL & 660'FWL, Eddy County, New Mexico, NMPM**

Dear Steve,

I'm writing this letter not to 'spout out regulatory issues', but to have a better communication between the NMOCD and your company.

In regards to our conversation Wednesday concerning the above referenced well, I need to alert you to additional regulatory issues.

Whenever an operator intends to complete a well to a different zone whether it is a newly drilled well or a well that has previously produced from another zone, certain forms need to be approved by the NMOCD before work is to begin.

In this case for the Loco Hills Well #5, a proposal to plug back to another zone should have been submitted to our office and filed on Form C-101 and Form C-102, before work was to commence.

We then could have reviewed the procedures and alerted your staff that the location of the well was non-standard for an oil well.

Rule 1102.D. and Rule 1103.A.(e) goes into specifics on the correct procedures.

If you have nay questions regarding this matter please advice,

Respectfully yours,

Bryan Arrant  
PES  
NMOCD-District II