



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

*File
Copy*

17 June 2002

Jim Pierce
200 West First, Suite 859,
Roswell, New Mexico 88203

*Single
Well
Bond
12-2001*

RE: Leonard State # 4
Letter dated 6 June, 2002.

I-1-19-29

30-015-03539

Dear Mr. Pierce:

Your request for T.A. Status cannot be granted until the conditions of Rule 203 are met. Please submit a form C-103 indicating how you wish to T.A. the well if this is your preference, otherwise contact this office for the MIT to be rescheduled.

In the event that a satisfactory response is not received to this letter of direction by 17 July, 2002, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

Sincerely,

Van Barton
Field Rep. II



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*Underground Injection Control Program
"Protecting Our Underground Sources of Drinking Water"*

31-May-2002

JIM PIERCE

#859 PETROLEUM BUILDING
ROSWELL NM 88201-

request 4A. 99439

Dear Sirs:

Our records indicate that the following well(s) are due for the type of mechanical integrity test indicated. If the required test is a pressure test, please have the necessary equipment on location and ready to commence the test at the specified time. For all types of tests, please have a representative on location to operate any valves or other equipment as necessary. Your representative should meet our inspector at _____ at the specified schedule date and time.

Scheduled Inspections / MITs

Scheduled Date: 6/12/2002 10:00:00 AM

<i>UL S-T-R</i>	<i>API Well No.</i>	<i>Well No.</i>	<i>Type Insp/MIT</i>
Property Name: LEONARD STATE			
Property IDN: 28810			
I 1 19S 29E	30-015-03539-00-00	004	MIT Witnessed - Pressure Test

If you have any questions or need to reschedule any test, please call at 505-748-1283 at the Artesia district office between 7:00 am and 4:00 pm, at least two weeks prior to the indicated schedule date.

Sincerely,

Oil Conservation Division, District II



JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88203

PHONE 505-622-7246
FAX 505-622-1711
EMAIL: jplandman@dfn.com

June 6, 2002



New Mexico Energy, Minerals and Natural Resources Department
NMOCD
1301 W. Grand Avenue
Artesia, NM 88210

Re: Inspection/MIT
Leonard State #4/API # 30-015-03539
Section 1, Unit Letter I, T19S, R29E,
Eddy County, NM

Dear Sirs:

Per receipt of your letter dated May 31, 2002 regarding the captioned, I request that the 6/12/02 scheduled inspection/MIT be cancelled and that subject well be placed into Temporary Abandoned status.

Subject well had been the responsibility of Ready Oil and Gas Management/Buddy DeLong until recently.

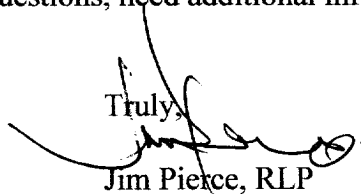
I recently acquired the services of a new field representative, Morexco, Inc./Mr. Deeg Becker.

"Morexco" has informed me that subject well is a candidate for water disposal, which we will attempt to convert within the next ninety (90) days, on or before September 1, 2002.

I have a single well plugging bond in place for subject well (copy provided).

I appreciate your help and consideration.

Please contact me should you have questions, need additional information or have further instructions.

Truly,

Jim Pierce, RLP

JP

Encl

Xc: Morexco, Inc.