



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

October 23, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Mr. Scott Hall
Montgomery & Andrews
P.O.Box 2307
Santa Fe, NM 87504-2307

Re: Case No. 12459; I.T. Properties

Dear Scott:

Responding to your letter of October 11, Mr. Stubblefield is not satisfied that the work on the Dhy State No. 1 set forth in the C-103 approved in August has been accomplished. Particularly, that C-103 called for restoration of production from the Morrow, and Mr. Chen apparently indicated orally to Stubblefield that it was his intention to plug the well back and recomplete in the Bonesprings. If the latter alternative is to be pursued, it would require filing and approval of a C-101.

If your client believes that he *has* completed everything called for on the previously filed C-103, and that the well is capable of Morrow production, it might be helpful if he would furnish a daily report to Mr. Stubblefield showing exactly what has been done.

I am, of course, not competent to assess compliance with technical requirements, and must rely on the Division's field personnel in this respect.

Very truly yours,

David K. Brooks
Assistant General Counsel

Cc: Mike Stubblefield

