



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

File
Copy

16 September 2002

Nearburg Producing
3300 N. A. St. Bldg. 2 Ste. 120
Midland, Texas 79705

RE: B & I B # 10 O-22-19-25 30-015-29770

Dear Sirs:

An inspection of this well on 9-6-02 found it not to be producing. A search of the reports found that no production is being reported. This well is in violation of Rule 201.

Rule 201 of the New Mexico Oil Conservation Division provides as follows:

201 WELLS TO BE PROPERLY ABANDONED

201.A. The operator of any well drilled for oil, gas or injection; for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof. [7-12-90...2-1-96]

201.B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within ninety (90) days after:

- (1) A sixty (60) day period following suspension of drilling operations, or
- (2) A determination that a well is no longer usable for beneficial purposes, or
- (3) A period of one (1) year in which a well has been continuously inactive.

This well must be brought into compliance on or before 21 July, 2002.

To bring the well into compliance you have 3 options:

1. Put the well into production.
2. T.A. the well.
3. P. A. the well.

In the event that a satisfactory response is not received to this letter of direction by 16 December, 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