



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 20, 2006

Donald Evans
PO BOX 322
Regina NM, 87046

RE: Hazel #1R, K-22-23N-01W API# 30-043-20984

Dear Mr. Evans:

Our records indicate the above listed well's permit to drill was approved on October 27, 2003 and spud on November 02, 2003. Surface casing was run and cemented.

A well site inspection, and a review of the records indicate the well is not in compliance with Rule 201.B.

"A well shall be either properly plugged and abandoned or placed in approved temporary abandonment in accordance with these rules within 90 days after:

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

Review Rules 201, 202, and 203 and submit a notice of intent to bring the well into compliance.

You are hereby directed to bring this well into compliance before June 15, 2006, review Rules 201, 202, and 203 for the necessary requirements to plug and abandon, temporarily abandon or return this well to production.

In the event the well is not returned to compliance an assessment of civil penalties pursuant to NMSA 70-2-31.A. for the violations of OCD Rules described above. NMSA 1978, Section 70-2-31.A. authorizes the assessment of civil penalties of up to one thousand dollars (\$1,000) per day per violation for any knowing or willful violation of any provision of the Oil and Gas Act or of any rule adopted pursuant to the Act.

Reference RBDMS CTP0607658129 on future correspondence.

If you have any questions, please call me at 505-334-6178, ext. 11.

Sincerely yours,

Charlie T. Perrin
District III Supervisor
charlie.perrin@state.nm.us

CTP/sb

Cc: HV File
Well File