



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
<http://emrnr.state.nm.us/ocd/District/III/3district.htm>

GARY E. JOHNSON
Governor

Jennifer A. Salisbury
Cabinet Secretary

March 7, 2000

Tom McCarthy
Robert L. Bayless Prod LLC
PO Box 168
Farmington NM 87499

RE: Santa Fe Pacific 57, K-21-16N-06W, API 30-031-20736

Dear Mr. McCarthy:

The above listed well history indicates an application to drill an oil well was filed September 25, 1981. The subsequent report of spud of this oil well was approved November 12, 1981. The notice of intention to temporarily abandon this oil well was approved February 22, 1983. The BACA Petroleum Corp. filed an operator change for this oil well and was approved March 15, 1988. Robert L. Bayless filed an operator change that was approved January 13, 1992. This well has been in the Ongard system with you reporting a status of shut in for this oil well from January, 1994, through the last available date in Ongard being November, 1999.

The State Engineer's paper work you supplied approves the water to be used for:

"Livestock watering."

"prospecting, mining or drilling operations to discover or develop natural resources."

This does not release you of the responsibility of compliance with the Oil Conservation Division's Rules and Regulations.

The well is flowing uncontrollably to the surface. This well is in violation of Rule 108.

You are hereby directed to submit plans to bring this well into compliance within 30 days from the date of this letter.

Feel free to call me at 334-6178, ext. 16, if I can be of any help.

Sincerely,

Charlie T. Perrin
Deputy O&G Inspector

CTP/mk

CC: Lyn Hebert
Well File
CTP