



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery

Director
Oil Conservation Division

October 28, 2002

Tim Lovseth
Hallador Petroleum LLP
1660 Lincoln St Ste 2700
Denver CO 80264

Re: Horton 4, M 27-32N-12W API 30-045-60074

Dear Mr. Lovseth:

The Bradenhead test on the above well indicates a possible casing problem.

In order to comply with Rule 108, prevent waste and protect fresh water, you are hereby directed to initiate remedial activity and retest before January 1, 2003.

Place Compliance number: CTP0229847437 on all communication regarding this Directive.

Notify the Aztec OCD 24 hours before work is initiated.

If you have any questions, please call me at 505-334-6178, ext. 16.

Sincerely yours,

A handwritten signature in cursive script that reads "Charlie T. Perrin".

Charlie T. Perrin
Deputy Oil & Gas Inspector
cperrin@state.nm.us

CTP/mk

CC: CTP
Well File