



October 14, 2004

Ms. Donna Mull  
New Mexico Oil Conservation Commission  
1625 French Drive  
Hobbs, NM 88240

Dear Donna:

This memo is in response to a Notice of Violation (NOV) – Delinquent Regulatory Filings that was received on the Sunflower 28 State #1, API #30.025.36695, Lea County, NM. BP America Production did not perform nor file Form C-122 Multi-Point Pressure test on this well for the following reasons:

- When the well was completed, I contacted Chris Williams and inquired as to the rule for gas well completions. He indicated to me that the current NMOCD Rule was under review and enforcement was not being made to conduct Multi-Point Pressure tests due to industry concern for potential well bore issues as a result of performing this test.
- I contacted you when BP America Production Co. received the Notice of Violation dated October 4, 2004 regarding the delinquent regulatory filing of Form C-122 Multi-point pressure test for all gas wells. I communicated my previous conversation with Chris Williams to you. Upon consultation between yourself and Chris Williams, you confirmed that BP had received a variance for this test and to disregard this NOV.

Should you require additional information in order to resolve this issue please do not hesitate to contact me. I will be out of the office until October 24, 2004 but will be available to assist you after that time. I may be contacted at 505.394.1608.

Respectfully,

James L. May  
Operations Specialist  
BP America Production Company  
Permian Business Unit

JM\kdm

Xc: Sheryal Joseph – HOO  
Central Files - Eunice

