



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT I HOBBS
1625 N. French Drive, Hobbs, NM 88241
(505) 393-6161
FAX (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

August 31, 1999

Fi Ro Corporation
R R 4 6228 Devonian
Roswell, NM 88201

RE: Hondo Holloway State # 1
Unit Letter F , Section 36, Township 12 South, Range 31 East

Gentlemen:

Through routine inspection it has come to our attention that the above referenced well have been shut in for an extended period of time. Producing wells can not be shut in for longer than a year. During the above inspection a unlined pit was discovered. The NMOCD is requesting that a pit closure and remediation plan be submitted to our office within 30 days of receipt of this notice. To assist you in this matter, we are enclosing a copy of the NMOCD Guidelines for pit closures. If you have any further questions, or need any assistance please do not hesitate to write or call the NMOCD Environmental Engineer, Donna Williams at (505-393-6161 ext.....113).

The following options are available regarding the future disposition of this well:

1. Restore the well to production.
2. Set plug, conduct mechanical integrity test, and request temporarily abandoned status.
3. Submit a proposal to plug and abandon the well and proceed with plugging on a timely basis subsequent to District 1 approval.

To avoid further action, we request that you exercise one of the above options no later than November 29, 1999.

We request that you notify this office 24 hours prior to commencement of any operation in order to witness the field operations.

Very truly yours

OIL CONSERVATION DIVISION

Billy Prichard
Billy Prichard
Deputy Inspector, District 1

cc: Chris Williams
Gary Wink
Donna Williams
File

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
OCD	EXHIBIT NO. 4
CASE NO:	12758