

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-104A
August 11, 2000

Submit 1 copy of the final affected wells
list along with 2 copies of this form per
number of wells on that list to appropriate
District Office

Change of Operator

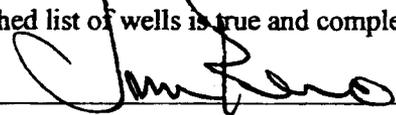
Previous Operator Information:

New Operator Information:

OGRID: 153653
Name: Ready Oil & Gas Management
Address: P. O. Box 381
Address: _____
City, State, Zip: Artesia, NM 88211-0381

Effective Date: August 1, 2001
New Ogrid: + 99439
New Name: Jim Pierce
Address: 200 West First Street
Address: Suite 859
City, State, Zip: Roswell, NM 88203

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

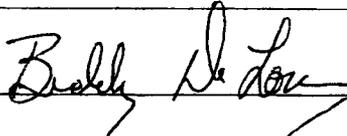
New Operator
Signature: 

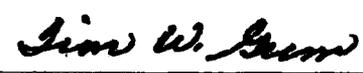
Printed name: Jim Pierce

Title: Owner/Sole Proprietor

Date: August 1, 2001 Phone: (505)622-7246

Previous operator complete below:

Previous Operator: Ready Oil and Gas Management
Previous OGRID: #153653
Signature: 
Printed Name: Buddy DeLong

NMOCD Approval	
Signature:	<u></u>
Printed Name:	<u>SUPERVISOR, DISTRICT II</u>
District:	_____
Date:	<u>JAN 04 2002</u>

WELLS INVOLVED IN OPERATOR CHANGE
FINAL LIST WITH CLOA

This is a final list of wells being transferred. If all bonding requirements are satisfied, submit this list to the OGD District with your SIGA.

PREVIOUS OPERATOR: 151653 READY OIL & GAS
NEW OPERATOR: 99439 - Jim Pierce

OGD DISTRICT: ANNEZIA

PROP- WELL NAME	WELL ID	WELL TYPE	POOL NAME	LAST PROD/IN
27553 LEONARD STATE #004	30-015-03539 I	I	40920 TURKEY TRACK;QUEEN, EAST	04-1994 - 28810
27551 LEONARD A STATE #001	30-015-03603 B	O	40920 TURKEY TRACK;QUEEN, EAST	08-2081 - 28811
27552 STATE S #002	30-015-03582 A	O	40920 TURKEY TRACK;QUEEN, EAST	10-1996 - 28807

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-03539
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Jim Pierce		6. State Oil & Gas Lease No. B-7717
3. Address of Operator 200 W. 1st Street Suite #859 Roswell, NM 88203		7. Lease Name or Unit Agreement Name: Leonard State
4. Well Location Unit Letter <u>B</u> : <u>330</u> feet from the <u>North</u> line and <u>1650</u> feet from the <u>East</u> line Section <u>12</u> Township <u>19S</u> Range <u>29E</u> NMPM <u>Eddy</u> County <u>NM</u>		8. Well No. 4
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3402 DF		9. Pool name or Wildcat East Turkey Track

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- Set cast iron bridge plug 100 feet above perfs *Set Plug between 2120-2150'*
- Perform MIT *As Per Rule 203 Give OCD Notice prior to test*
- T & A if MIT establishes Int. Fails Integrity, plug upon commission approval.
- Set well sign

Notify OCD **24 hours**
 prior to test. 748-1283

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Owner/Sole Proprietor DATE 04/24/03

Type or print name [Signature] Telephone No. _____

(This space for State use)

APPROVED BY _____ TITLE _____ DATE APR 28 2003

Conditions of approval, if any:

JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88203

PHONE 505-622-7246
FAX 505-622-1711
EMAIL: jplandman@dfn.com

April 24, 2003

NMOCD

New Mexico Energy, Minerals and Natural Resources Department
1301 West Grand Avenue
Artesia, NM 88210

Attention: Mr. Van Barton, Field Rep. II

RE: Form C-103 submittals
Leonard State #4/30-015-03539
Leonard "A" State #1/30-015-03603
State "S" #2/30-015-03582
Section 12, T19S, R29E, NMPM,
Eddy County, NM



Dear Mr. Barton:

Included herewith are original Form C-103's stipulating the proposed actions being initiated in bringing the captioned wells into compliance.

Service companies will be on these wells beginning Tuesday, April 29, 2003, to begin subject procedures.

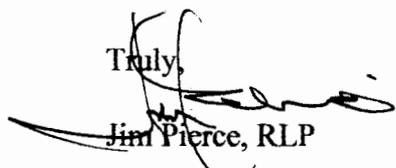
Since previous field representatives, "Ready Oil and Gas Management" and "Morexco", failed to get subject wells into compliance, I have approached Mr. Tim Collier to complete all necessary remedial work to bring subject wells into compliance.

I believe that Tim has been in contact with you recently.

I appreciate your help and consideration in this matter.

Please contact us should you have questions, need additional information, or have further instructions.

Truly,


Jim Pierce, RLP

Encl.

Xc: Mr. Tim Collier



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

30 January 2003

Via Certified Mail

Jim Pierce
Petroleum Bldg. 200 W. 1st, Suite 859
Roswell, New Mexico 88203

RE:

State "S" #2	A-12-19-29	API# 30-015-03582
Leonard "A" State # 1	B-12-19-29	API# 30-015-03603
Leonard State # 4	I-1-19-29	API# 30-015-03539

Dear Mr. Pierce,

This letter is being sent in part because all of the other correspondence dating back to 17 June, 2002 have caused the wells to be brought into compliance.

Rule 201 of the New Mexico Oil Conservation Division provides as follows:

201 WELLS TO BE PROPERLY ABANDONED

201.A. The operator of any well drilled for oil, gas or injection; for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof. [7-12-90...2-1-96]

201.B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within ninety (90) days after:

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

While a single well bond may cover your wells, this does not entitle them to be left out of compliance indefinitely. Please submit a form C-103 detailing how they will be brought into compliance. Please have these forms in the Artesia office on or before 28 February, 2003.

Thank you for your help

Van Barton
Field Rep. II

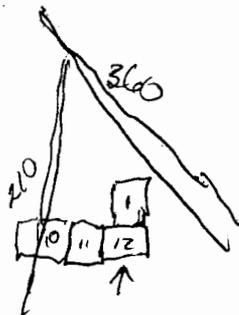


NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

*3/5/03
NIC @ well site*



30 January 2003

Via Certified Mail

Jim Pierce
Petroleum Bldg. 200 W. 1st, Suite 859
Roswell, New Mexico 88203

RE:

State "S" #2	<i>3/5/03 NIC</i>	A-12-19-29	API# 30-015-03582
Leonard "A" State # 1	<i>3/5/03 NIC</i>	B-12-19-29	API# 30-015-03603
Leonard State #	<i>4 3/5/03 NIC</i>	I-1-19-29	API# 30-015-03539

Dear Mr. Pierce,

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Thank you for your help

Van Barton
Field Rep. II

JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88203

PHONE 505-622-7248
FAX 505-622-1711
EMAIL: jplandman@dfm.com

March 7, 2003

Mew Mexico Energy, Minerals and Natural Resources Department
Oil Conservation division
1301 West Grand Avenue
Artesia, NM 88210

Attention: Mr. Van Barton, Field Representative

Re: Well Compliance Reports
State "S" #2/API# 30-015-03582
Leonard "A" State #1/API# 30-015-03603
Leonard State #4/API# 30-015-03539
Eddy County, NM

Dear Mr. Barton:

It has just been brought to my attention that my field operations representative, Morexco, Inc., did not provide you with the forms C-103 regarding the captioned wells, per your letter dated January 30, 2003 (copy provided).

I have enlisted the services of another field operations manager who will hand deliver said C-103's to the Artesia District II office Monday, March 10, 2003.

I have also made arrangements with a company to 'swab' subject wells in an effort to produce oil and gas, prior to the installation of the additional equipment necessary to produce by pumping.

All flow lines and tanks have been inspected and/or repaired to enable this company to move fluid and produce subject wells on or before Friday, March 14, 2003.

Production reports will be provided accordingly.

Again, I appreciate your continued help and consideration in this matter.

Please contact us should you have questions or need additional information.

Truly,


Jim Pierce, RLP



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Pralup
Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

30 January 2003

Via Certified Mail

Jim Pierce

Petroleum Bldg. 200 W. 1st, Suite 859
Roswell, New Mexico 88203

RE:

State "S" #2	A-12-19-29	API# 30-015-03582
Leonard "A" State # 1	B-12-19-29	API# 30-015-03603
Leonard State # 4	I-1-19-29	API# 30-015-03539

Dear Mr. Pierce,

This letter is being sent in part because all of the other correspondence dating back to 17 June, 2002 have caused the wells to be brought into compliance.

Rule 201 of the New Mexico Oil Conservation Division provides as follows:

201 WELLS TO BE PROPERLY ABANDONED

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- (2) A determination that a well is no longer usable for beneficial purposes, or
- (3) A period of one (1) year in which a well has been continuously inactive.

While a single well bond may cover your wells, this does not entitle them to be left out of compliance indefinitely. Please submit a form C-103 detailing how they will be brought into compliance. Please have these forms in the Artesia office on or before 28 February, 2003.

Thank you for your help

Van Barton
Field Rep. II

(tblWellMaster.api_wellno Like '30015035390000')

30015035390000

LEONARD STATE No.004

I S I 1 19 S 29 E

R-4062

	Date Perfm.	Insp.	Purpose / Type	Viol?	Comment
iMLB0312048735	4/30/2003 1:32:0	NRA	CV	No	New well sign is at well site. (not mounted) No other work has been done.
iMLB0306447733	3/5/2003 1:15:23	NRA	CV	No	No work done at well site. No flowline, no well sign.
iGEG0225542927	9/12/2002 11:55:	NRA	CV	No	Well is not capable of injection. No action taken to bring well into compliance. Last reported injection 1998. Photo. Authority to inject is withdrawn, in accordance with rule 705.
iPCH0216337022	6/12/2002 10:16:	NRA	MP	Yes	WELL IS NOT ACTIVE, NO FLOW LINE, NO WELL SIGN VIOLATION OF RULE 103
iGEG0102252785	3/3/1999 1:38:04		MP	No	
iPCH0209936312	3/3/1999 1:38:04		MP	No	
iBER0001550	3/3/1999 1:38:04		MW	No	A-OK. All Equipment and Location in Good Shape.
iUNK0000005	3/4/1998		MW	No	shut-in
iGW20030000957	7/3/1997 8:30:00		MW	No	



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

9/17/02

CERTIFIED MAIL

Jim Pierce
200 West First, Suite 859
Roswell, NM 88203

RE: Leonard State #4 (30-015-03539) Lot 1 - Sec 1 19S 29E

Dear Sir:

This letter shall serve as a Notice of Violation of the Rules of the New Mexico Oil Conservation Division.

The referenced well has been inactive for more than one year and has not been plugged.

NMOCD Rule 201 is quoted for your information:

201 WELLS TO BE PROPERLY ABANDONED

201.A. The operator of any well drilled for oil, gas or injection; for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof. [7-12-90...2-1-96]

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

[7-12-90...2-1-96]

Your office was notified on June 17, 2002 and again on July 29, 2002 of this violation and as of this date this office has received no response from you. Your failure to respond to OCD directives and failure to bring this well into compliance are serious violations and merit a severe sanction, up to and including abandonment and plugging as well as civil penalties. In the event that this well is not brought into compliance **on or before October 18, 2002** this third and final Notice of Violation precedes a request to the Division that you be summoned to a hearing in Santa Fe to Show Cause why this well should not be plugged and civil penalties assessed.

Respectfully,

Gerry Guye
Compliance Officer

JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88203

PHONE 505-622-7246
FAX 505-622-1711
EMAIL: jplandman@dfn.com

October 1, 2002

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210

Attention: Mr. Gerry Guye, Compliance Officer

Re: Leonard State #4/API #30-015-03539
Section 1, T19S, R29E, NMPM
Eddy County, NM



Dear Mr. Guye:

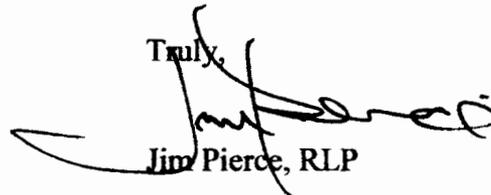
I am in receipt of your letter dated September 17, 2002 regarding non-compliance of the captioned well.

I provided previous correspondence to Morexco, Inc., the company presently handling the field operations for this well. I was under the impression that they had contacted you regarding same on my behalf.

We have made arrangements to reestablish subject well as a water injection well for the benefit of "Eastland Oil" in Midland, Texas, which has numerous water producing wells in the immediate area. The C-103 will be provided accordingly and we will do our best to get all equipment installed on or before the October 18, 2002 deadline imposed.

I appreciate your help and consideration in this matter.

Please contact me should you need additional information or have further instructions.

Truly,

Jim Pierce, RLP

JP

Xc: Morexco, Inc.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

22 October 2002

Via Certified Mail

File
Copy

Jim Pierce
200 West First, Suite 859
Roswell, New Mexico 88203

RE: NOTICE OF VIOLATION: NMOCD Rule 203
Leonard State # 4 I-1-19-29 API# 30-015-03539

Dear Sirs:

I am in receipt of your letter dated 10-1-02 indicating the intention to activate the well. I had a conversation with Mr. Becker on 7-31-02 where he indicated you would TA the well.

This well must be brought into physical compliance on or before 30 November, 2002.

Your failure to respond to OCD directives and failure to bring this well into compliance are serious violations and merit a severe sanction, up to and including abandonment and plugging as well as civil penalties. In the event that this well is not brought into physical compliance **on or before November 30, 2002** this **final Notice of Violation** precedes a request to the Division that you be summoned to a hearing in Santa Fe to **Show Cause why this well should not be plugged and civil penalties assessed.**

Respectfully yours,

Van Barton, Field Rep. II
cc: OCD Legal



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

29 July 2002

File
Copy

Jim Pierce
200 West First, Suite 859
Roswell, New Mexico 88203

RE: Leonard State # 4 I-1-19-294 API 30-015-03539

Dear Sirs:

This directive is to notify you that this well is in violation of Rule 201.

On 17 June, 2002 a letter was sent notifying you the well was not in temporary abandonment status and could not be deemed as such until Rule 203 was satisfied. A MIT Test was scheduled for 6-12-2002 at 10:00 A.M.. A company representative did not show for the test.

Please contact Gerry Guye at the Artesia Office (505-748-1248) and schedule another date for the test. **The test must be scheduled and preformed on or before 15 August, 2002.** If the test is not done by the date indicated the authority to inject will be withdrawn. If the authority is withdrawn and you wish to inject into the well it in the future, the C-108 permitting process will have to be repeated.

In the event that a satisfactory response is not received to this letter of direction by 15 August, 2002, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

Sincerely,

Van Barton
Field Rep. II

JIM PIERCE

OIL AND GAS PROPERTIES
SUITE 859
PETROLEUM BUILDING
200 WEST FIRST
ROSWELL, NEW MEXICO 88203

PHONE 505-622-7246
FAX 505-622-1711
EMAIL: jplandman@dfn.com

June 6, 2002



New Mexico Energy, Minerals and Natural Resources Department
NMOCD
1301 W. Grand Avenue
Artesia, NM 88210

Re: Inspection/MIT
Leonard State #4/API # 30-015-03539
Section 1, Unit Letter I, T19S, R29E,
Eddy County, NM

Dear Sirs:

Per receipt of your letter dated May 31, 2002 regarding the captioned, I request that the 6/12/02 scheduled inspection/MIT be cancelled and that subject well be placed into Temporary Abandoned status.

Subject well had been the responsibility of Ready Oil and Gas Management/Buddy DeLong until recently.

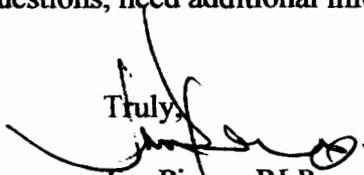
I recently acquired the services of a new field representative, Morexco, Inc./Mr. Deeg Becker.

"Morexco" has informed me that subject well is a candidate for water disposal, which we will attempt to convert within the next ninety (90) days, on or before September 1, 2002.

I have a single well plugging bond in place for subject well (copy provided).

I appreciate your help and consideration.

Please contact me should you have questions, need additional information or have further instructions.

Truly,

Jim Pierce, RLP

JP
Encl
Xc: Morexco, Inc.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

*File
Copy*

17 June 2002

Jim Pierce
200 West First, Suite 859
Roswell, New Mexico 88203

*Single
Well
Bond
12-2001*

RE: Leonard State # 4
Letter dated 6 June, 2002.

I-1-19-29

30-015-03539

Dear Mr. Pierce:

Your request for T.A. Status cannot be granted until the conditions of Rule 203 are met. Please submit a form C-103 indicating how you wish to T.A. the well if this is your preference, otherwise contact this office for the MIT to be rescheduled.

In the event that a satisfactory response is not received to this letter of direction by 17 July, 2002, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

Sincerely,

Van Barton
Field Rep. II