



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Betty Rivera**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

September 24, 2002

Skyline Energy, L.L.C.  
2301 DUBLIN CR  
PEARLAND, TX 77581

XL Specialty Insurance Co.  
2455 Corporate Drive West  
Lisle, IL 60532

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

**Re: Case No. 12949: Application of the New Mexico Oil Conservation Division for an Order Requiring Slyline Energy, L.L.C. to Properly Plug One (1) Well, Imposing Civil Penalties for Failure to Comply, Authorizing the Division to Plug Said Well and Ordering a Forfeiture of Applicable Plugging Bond; Lea County, New Mexico**

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application, a copy of which is enclosed herewith, seeking an order requiring you to properly plug and abandon one (1) well located in Lea County, New Mexico, specifically identified in said application.

A hearing on this application will take place before a Division hearing officer on Thursday, October 24, 2002, at 8:15 a.m., in the Division Hearing Room, First Floor, 1220 South St. Francis Drive in Santa Fe, New Mexico. At that hearing you will have an opportunity to show cause why an order should not be entered as requested in the Application.

Your posted single-well surety bond in the amount of \$10,000, No.SBO040746 issued by XL Specialty Insurance Company, will be forfeited if an order is entered as requested in the attached application and you fail to comply therewith.

Inquiries concerning this application may be directed to the undersigned in the Santa Fe office of the Division at (505)-476-3450.

Very truly yours,

A handwritten signature in black ink, appearing to be 'DKB', written over a vertical dashed line.

David K. Brooks  
Assistant General Counsel

cc: Chris Williams, OCD Hobbs



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

October 19, 2000

Skyline Energy, L.L.C.  
2301 Dublin Cr.  
Pearland, Tx 77581

**RE: State B AC-1**  
**UL B, Sec. 11, T12S, R33E**

Gentlemen:

During a review of compliance correspondence it has come to our attention that we have not received any replies to our letter dated July 5, 2000 concerning the future disposition of the above referenced well. The following options are available regarding the future disposition of this well.

1. Restore the well to production
2. The well to be temporarily abandoned in accordance with NMOCD Rule 203
3. The well to be Plugged and Abandoned in accordance with NMOCD Rule 202

To avoid further action on this well the NMOCD request that you respond to this letter no later than November 18, 2000. If you do not respond will have no choice but to refer this well to the NMOCD attorney to schedule a Show Cause Hearing to capture the surety bond and to plug the well.

Very Truly yours  
OIL CONSERVATION DIVISION

Billy E. Prichard  
Deputy Inspector, District 1

CC:  
Chris Williams  
Gary Wink  
Sylvia Dickey  
Lyn Hebert- NMOCD attorney  
file



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

July 5, 2000

Skyline Energy, L.L.C.  
2301 Dublin Cr  
Pearland, Tx 77581

**RE: State B AC -1**  
**Unit Letter B, Section 11, T12S, R33E**

A review of our records and recent inspections show that the above referenced well has been shut in for an extended period of time. Order R-9210 states that an operator can not leave a well shut in longer than a year. The following options are available for the future of the above well.

1. Restore the well to production.
2. Set plug, conduct mechanical integrity test, and request temporary abandoned status.
3. Submit a proposal to plug and abandon the well, proceed with plugging on a timely basis after the proposal has been evaluated, amended and or approved.

To avoid further action, we request that you exercise one of the above options no later August 4 , 2000. This letter is the first step in the documentation to take the well to Show Cause Hearing as to why the bond should not be forfeited and the well plugged. We request that you notify this office 24 hours prior to any operation in order to witness the operation, either repair or plugging and pressure test upon completion of repairs or to request TA status.

Very truly yours  
OIL CONSERVATION DIVISION

**Billy E. Prichard**  
Deputy Inspector, District 1

Cc:  
Chris Williams  
Gary Wink  
Sylvia Dickey  
Lyn Hebert  
file

Skyline Energy, LLC  
State B AC-1  
UL B, Section 11, T12S, R33E  
Plugging Procedure

13 3/8" casing set at 314 feet, Cement Circulated  
9 5/8" casing set at 3874 feet, TOC 715 feet by TS  
5 1/2" casing set at 11033 feet, TOC 7420 feet by TS  
Perfs at 8500 ft,

1. Move in rig up plugging rig
2. Nipple up BOP
3. Pull tubing
4. Run gauge ring by wireline to 8400 feet
5. Run and set cast iron bridge plug by wireline
6. Cap CIBP with 35 feet of cement by dump bailer
7. Run tubing and tag cement
8. Displace well with gelled brine water
9. Pull tubing 7400 feet
10. Spot 25 sack cement plug
11. Pull tubing
12. Perf casing at 5140 feet
13. Run packer and tubing, set packer at 4900 feet
14. Squeeze perfs with 40 sack cement
15. WOC, Release packer and pull tubing
16. Run tubing open ended and tag cement plug, maximum depth 5040 feet
17. Pull tubing
18. Weld on pull nipple and free point casing
19. Cut and pull 5 1/2 casing from 3874 feet
20. Run tubing to 50 feet inside of casing stub and spot 40 sack cement plug
21. Pull tubing and WOC
22. Run tubing and tag cement plug, maximum depth is 3824 feet
23. Pull tubing to 1728 feet
24. Spot 40 sack cement plug
25. Pull tubing
26. Weld on pull nipple and free point 9 5/8" casing
27. Cut and pull 9 5/8" casing 314 feet
28. Run tubing to 364 feet
29. Spot 50 sack cement plug
30. Pull tubing and WOC
31. Run tubing and tag cement plug, maximum depth is 264 feet
32. Pull tubing to 60 feet
33. Circulated cement to surface
34. Pull tubing
35. Cut of well head and install PA marker
36. Rig down move out plugging rig
37. Cut off service unit anchors and clean location

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

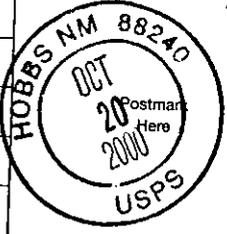
**SECTION ON DELIVERY**

A. Please Print Clearly) B. Date of Delivery  
 10-23-00

7099 320 0002 3942 6723

Article Sent To:  
 Skyline Energy LLC

Postage	\$	1.33
Certified Fee		1.40
Return Receipt Fee (Endorsement Required)		1.25
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>2.98</b>



Agent  
 Addressee  
 Is different from item 1?  Yes  
 Delivery address below:  No

Name (Please Print Clearly) (To be completed by mailer)  
 Skyline Energy LLC  
 Street, Apt. No.; or PO Box No.  
 2301 Dublin Ct.  
 City, State, ZIP+4  
 Pearland TX 77581

Express Mail  
 Return Receipt for Merchandise  
 C.O.D.  
 Delivery? (Extra Fee)  Yes