

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Carol Leach Acting Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

January 18, 2002

Hal J. Rasmussen Operating, Inc. 550 W. Texas AV, Suite 200 Midland, TX 79701

VIA: CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 12758-A: Amendment to Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring One Hundred Forty-Seven (147) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico.

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed an Amendment to the referenced Application, a copy of which is enclosed herewith, adding to the wells that are the subject of that Application the Hal J. Rasmussen Operating, Inc., San Simon Well No. 1 (API No. 30-025-28495), located 1325 feet from the North line and 650 feet from the East line (Unit H) of Section 13, Township 21 South, Range 34 East, NMPM, Lea County, New.

A hearing on this Application will take place before a Division hearing officer on Thursday, February 7, 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, if any there be, why an order should not be entered requiring the said San Simon Well No. 1 and the other wells included in the original Application, to be brought into compliance with Division Rule 201.

Operational inquiries concerning the subject of this hearing should be directed to Mr. Chris Williams, District Supervisor, Oil Conservation Division, 1625 French Drive, Hobbs, NM 88240; phone (505)-393-6161. Counsel may contact the undersigned in the Santa Fe office at (505)-476-3450.

Very truly yours,

David K. Brooks Assistant General Counsel