



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

FINAL NOTICE

CERTIFIED MAIL

DECEMBER 26, 2000

SOUTHWEST ROYALTIES INC
P.O. BOX 11390
MIDLAND, TX. 79702

HOLD

RE: INACTIVE NON-COMPLIANCE WELLS

The Oil Conservation Division (OCD) currently is addressing all inactive non-compliance wells as a top priority statewide project. A mass mail out was made on May 11, 2000 requesting information from each operator that had inactive wells. A second mail out was made on September 8, directing each operator as part of this project to provide additional information based on how they had responded to the May 11, 2000 letter.

By copy of this letter, the OCD director is requested to schedule a "Show Cause Hearing" to allow you the opportunity to appear and to show way a shut in order, order to plug and abandon all inactive non-compliance wells and/or to call for the forfeiture of your statewide bond is not issued. If your bond is called you can no longer operate in the State of New Mexico.

The "Show Cause Hearing" will be stayed if an aggressive plan being detailed and specific as to type of work and time frame to bring all non-compliance wells into compliance is received in this office within 30 days of receipt of this letter.

Attached is the latest (11/16/00) OCD list of inactive non-compliance wells for your company.

TIM W. GUM

DISTRICT II SUPERVISOR
OIL CONSERVATION DIVISION

XC: LORI WROTENBERY ---- DIRECTOR
OCD ATTORNEY
ATTACHMENT

176B

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
OCD EXHIBIT NO. <i>178</i> 176B
CASE NO. <i>12811</i>

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SOUTHWEST ROYLATIES INACT 111600.xls

API #	Type	Last Production/ Injection	Well Name and Number	ULSTR	FNS	FEW
30-015-02271	O	11-1992	STATE #001	I-18-19S-28E	2310S	330E
30-015-03792	O	12-1992	STATE B4458 #002	C-36-17S-29E	660N	1980W
30-015-04619	O	12-1995	NORTH HACKBERRY YATES UNIT #107	I-23-19S-30E	1980S	990E
30-015-04622	I	07-1998	NORTH HACKBERRY YATES UNIT #108	L-24-19S-30E	1980S	330W
30-015-21863	S	12-1997	JULIE #001	H-17-19S-25E	1980N	990E
30-015-22142	G	07-1997	ALSCOTT FEDERAL #002	O-30-18S-29E	660S	1980E
30-015-24646	O	06-1998	STATE B4458 #003	A-36-17S-29E	660N	660E
30-015-25861	O	05-1997	STATE JMD #001	K-12-19S-27E	1650S	1650W
30-015-25890	O	04-1994	STATE JMD #003	J-12-19S-27E	1650S	2310E
30-015-26237	O	10-1998	STATE JMD #005	O-12-19S-27E	330S	2310E