



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL R. ICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

January 11, 2007

Willow Creek Resources, Inc
P.O. Box 1309
Midland, TX 79702

VIA CERTIFIED MAIL

Re: Case No. 13715: Application of the New Mexico Oil Conservation Division for an Order Willow Creek Resources, Inc. to Plug One Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance; Eddy County, New Mexico

Ladies and Gentlemen:

On May 19, 2006, you were notified that OCD had filed an application in the above case for an order requiring you to plug your Maudie Rickman Well No. 1 in Eddy County, New Mexico.

On June 5, 2006, you signed an Agreed Compliance Order, agreeing to plug this well not later than November 30, 2006, which you have not done.

Be advised that a hearing on the Division's request for an order directing you to plug this well is now set before a Division hearing examiner on Thursday, February 1, 2007, at 8:15 a.m., in Porter Hall at 1220 S. St. Francis Drive, in Santa Fe, New Mexico.

The Agreed Compliance Order also provided that you would pay a penalty of \$1,000 if you failed to plug the subject well within the time provided. This penalty is now owed regardless of the outcome of the February 1 administrative hearing, and even if you now or subsequently plug the well. Demand is hereby made for immediate payment. In event you fail to pay this penalty on or before February 1, 2007, the Division reserves the right to bring suit against Willow Creek Resources, Inc. to collect this penalty.

Case No. 13715
February 1, 2007

OCD Exhibit No. 7

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Assistant General Counsel

cc: Daniel Sanchez
OCD Santa Fe

Tim Gum
OCD Artesia

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Willow Creek Resources, Inc.
P.O. Box 1309
Midland, TX 79702

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Willow Creek Resources, Inc.
P.O. Box 1309
Midland, TX 79702

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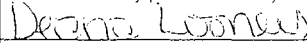
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