



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

ARY E. JOHNSON
Governor
Janifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

September 8, 2000

20989
SMITH & MARRS INC
PO BOX 863
KERMIT, TX 79745

Re: Current Status of Oil and Gas Wells

In May of this year, the Oil Conservation Division ("Division") sent a letter to you setting forth the Division's information on wells for which you are the operator of record. The letter requested a response with additional information. The Division has had no response to the letter. The Division presumes you agree with the information in the letter regarding your inactive wells.

The wells have not shown production or been reported on Form C-115 for more than one year. The wells are not in compliance with the Division's rules and the New Mexico Oil and Gas Act.

You are hereby directed to bring these wells into compliance within 60 days. In the alternative, within 30 days you may submit a compliance plan including a schedule of activities with dates.

Sincerely,

Chris Williams
District Supervisor

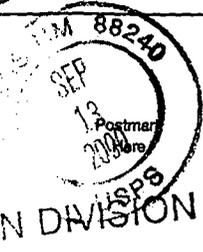
BEFORE EXAMINER	
OIL CONSERVATION DIVISION	
<u>OCD</u>	EXHIBIT NO. <u>31</u>
CASE NO: <u>12771-A</u>	

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

7557
 9918
 9918
 1000
 0222
 6601

Article Sent To:
SMITH & MARRS

Postage	\$.33
Certified Fee	1.40
Return Receipt Fee (Endorsement Required)	1.25
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 2.98



Name (Please Print Clearly) (To be completed by mailer)
DISTRICT
 Street, Apt. No., or PO Box No. **DRIVE**
1625
 City, State, ZIP+4® **HOBBBS NM 88240**

PS Form 3800, July 1999 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Received by (Please Print Clearly) B. Date of Delivery</p> <p>C. Signature X <i>Mary Snyder</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>20989 SMITH & MARRS INC PO BOX 863 KERMIT, TX 79745</p>	<p>E. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Copy from service label) 7099 3220 0001 9918 7557</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>PS Form 3811, July 1999 Domestic Return Receipt 102695-00-M-0952</p>	