



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

January 11, 2001

SWR OPERATING CO.
200 CRESCENT CT. STE. 1310
DALLAS, TX. 75201

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 staved 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

OCD

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API #	Type	Last Production/ Injection	Well Name and Number	ULSTR	FNS	FEW
30-015-05595	O	03-1990	KEOHANE ET AL C FEDERAL #001	P-21-18S-31E	660S	660E
30-015-05670	I	05-1988	SHUGART B #001	O-33-18S-31E	330S	2310E
30-015-05672	O	06-1988	SHUGART B #003	N-33-18S-31E	330S	1650W
30-015-05726	O	10-1982	WELCH A #001	2-04-19S-31E	660N	1980E
30-015-05728	O	02-1986	WELCH A #003	F-04-19S-31E	1650N	1980W
30-015-05729	O	12-1992	WELCH A #004	3-04-19S-31E	660N	2210W
30-015-05731	O	02-1986	NICKSON A #001	4-04-19S-31E	660N	990W
30-015-05732	O	06-1980	FEATHERSTONE FEDERAL #001	J-04-19S-31E	2310S	2310E
30-015-05737	O	10-1987	FEATHERSTONE #001	H-05-19S-31E	2310N	330E
30-015-05739	O	12-1987	DONNELLY PAN AMERICAN #001Y	G-05-19S-31E	2310N	2260E
30-015-05740	O	06-1988	FEATHERSTONE #002	1-05-19S-31E	990N	330E
30-015-05744	O	06-1988	FEATHERSTONE #001	K-05-19S-31E	2310S	2310W
30-015-05747	O	09-1979	FEATHERSTONE #004	J-05-19S-31E	2310S	2310E
30-015-05752	O	01-1990	HODGES FEDERAL #001	P-06-19S-31E	990S	330E