

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

September 27, 2001

Lori Wrotenbery
Director
Oil Conservation Division

ADDRESS LIST

VIA: CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Case No. 12739: Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring One Hundred Twenty-One (121) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Eddy and Chaves Counties, New Mexico.

Ladies and Gentlemen:

You are hereby notified that the New Mexico Oil Conservation Division has filed the referenced Application, a copy of which is enclosed herewith, seeking an Order requiring you to bring specified inactive wells in San Juan, Rio Arriba, Sandoval and McKinley Counties, New Mexico into compliance with Dvision Rule 201.B, by either restoring such wells to production or beneficial use, permanently abandoning or temporarily abandoning them. In addition, the Division seeks assessment of civil penalties for your failure to comply with previous administrative notices to bring these wells into compliance.

A hearing on this Application will take place before a Division hearing officer on Thursday, October 18, 2001, 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 as requested in the Application.

Operational inquiries concerning the subject of this hearing should be directed to Mr. Frank Chavez, District Supervisor, Oil Conservation Division, 1000 Rio Brazos Road, Aztec, NM 87410; phone (505)-334-6178. Counsel may contact the undersigned in the Santa Fe office at (505)-476-3450.

Very truly yours,

David K. Brooks

Assistant General Counsel

David K. Besols

CHAPARRAL ENERGY INC 701 CEDAR LAKE BLVD OKLAHOMA CITY, OK 73114

CLAYTON INVESTMENT CO 710 E 20TH FARMINGTON, NM 87401

COULTHURST MGT & INV INC 1990 MARIN AVE BERKELEY, CA 94707

10141HART OIL & GAS INC PO BOX 307 FARMINGTON, NM 87499

J C WELL SERVICE PO BOX 51 FARMINGTON, NM 87499

JIMMY ROBERSON ENERGY CORPORATION 110 LINDA TEXARKANA, TX 75503

JULIUS CHODOROW 9811 SNOW HEIGHT NE ALBUQUERQUE, NM 87110

KEYSTONE ENERGY LLC PO BOX 962 FARMINGTON, NM 87499

LAQUINTA OIL CO PO BOX 356 FLORA VISTA, NM 87415

MANANA GAS INC 2520 TRAMWAY TERRACE CT NE ALBUQUERQUE, NM 87122

NM & O OPERATING CO 6 E 5TH ST, STE 900 TULSA, OK 74103

MOUNTAIN STATES PETROLEUM CORP PO BOX 1936 ROSWELL, NM 88201

NOEL REYNOLDS PO BOX 356 FLORA VISTA, NM 87415 PHOENIX HYDROCARBONS OPERATING CORP PO BOX 3638 MIDLAND, TX 79702

R - J ENTERPRISES PO BOX 51 FARMINGTON, NM 87499-0051

SMOKEY OIL COMPANY PO BOX 2360 CASPER, WY 82602

TASCO

TORREON OIL CO PO BOX 356 FLORA VISTA, NM 87415

U S ENERCORP LLC 153 TREELINE PARK, STE 300 SAN ANTONIO, TX 78209-1880