



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 23 , 2000

C.E.LARUE & B.M. MUNCY JR.

P.O. BOX 1370

ARTESIA, NM 88211-1370

RE: INACTIVE NON-COMPLIANCE WELLS

Dear Ed:

Thank you for taking the time to come and talk about your inactive well list. The time frame to bring these wells into compliance of nine months to one year is rejected. Nine of ten injection wells shown on the attached list failed the "MIT" of January 28, 2000 and have yet to be repaired based on our records. Prior to commencing water injection into these wells they need to be repaired and new authority to inject is obtained. These wells need to be repaired within 90 Days of receipt of this letter. Nine (38%) of the twenty-four listed oil wells were on the January 2, 1998 non-compliance well list.

A completion date of six months from the receipt of this letter is the preferred time frame for completion as discussed in our previous meetings. As requested in my letter of January 4, 2001, please be specific as to type of work and time frame for each well to meet the completion date.

Assuming that the wells that were in non-compliance in the past were addressed at that time the current list would not have been as large and a tight time frame would not have been required.

Attached is the latest (11/16/00) OCD list of inactive non-compliance wells for your company which should be brought into compliance by August 1, 2001.

TIM W. GUM

Tim W. Gum

DISTRICT II SUPERVISOR

OIL CONSERVATION DIVISION

XC: LORI WROTENBERY ---- DIRECTOR

OCD ATTORNEY

ATTACHMENT

| | |
|---------------------------|----------------|
| BEFORE EXAMINER STOGNER | |
| OIL CONSERVATION DIVISION | |
| OCD | EXHIBIT NO. 44 |
| CASE NO. | 12811 |

110K

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

898T 2EST 9200 0090 0002

| | |
|---|----------------|
| Postage | \$.34 |
| Certified Fee | 1.90 |
| Return Receipt Fee (Endorsement Required) | 1.50 |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ 3.74 |

Postmark Here
 1/23/2001
 LTK

Recipient's Name (Please Print Clearly) (to be completed by mailer)
CE LARUE & BM MUNCY JR
 Street, Apt. No., or PO Box No.
PO BOX 1370
 City, State, and ZIP+4[®]
ARTESIA NM 88211-1370

PS Form 3800, February 2000 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) Eddie Larue B. Date of Delivery 1-25-01</p> <p>C. Signature X Eddie Larue <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>CE LARUE & BM MUNCY JR PO BOX 1370 ARTESIA NM 88211-1370</p> | <p>3. Service Type</p> <p><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) 7000 0600 0026 1537 1868</p> | <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> |