



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

21 March 2003

Via Certified Mail

Asher Enterprises LTD. Co.
P.O. Box 423
Artesia, New Mexico 88211-0423

RE: NOTICE OF VIOLATION: NMOCD Rule 103 Well Identification
Grayburg Jackson Unit # 1 P-23-17-30 API# 30-015-04298

Ladies and Gentlemen:

This letter shall serve as a Notice of Violation of the rules of the New Mexico Oil Conservation Division.

You were notified of this matter by letters dated 4-12-2002, 9-20-2002, and 1-23-2003. This certified letter is being sent in part because all of the foregoing directives have brought no response. An inspection on 3-19-2003 found no action had been taken.

Rule 103 of the New Mexico Oil Conservation Division provides as follows:

103 SIGN ON WELLS

All wells and related facilities by the Division shall be identified by a sign, which sign shall remain in place until the well is plugged and abandoned and the related facilities are closed. For drilling wells, the sign shall be posted on the derrick or not more than 20 feet from the well. The sign shall be of durable construction and the lettering shall be legible and large enough to be read under normal conditions at a distance of 50 feet. The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive sequence. An operator will have 90 days from the effective date of an operator name change to change the operator name on the well sign unless an extension of time, for good cause shown along with a schedule for making the changes, is granted. Each sign shall show the:

1. number of well;
2. name of property;
3. name of operator;
4. location by footage, quarter-quarter section, township and range (or Unit Letter can be substituted for the quarter-quarter section), and
5. API number.

Your failure to respond to OCD directives and failure to bring this well into compliance are serious violations and merit a severe sanction, up to and including abandonment and plugging as well as civil penalties. This is the third and **final Notice of Violation**. In the event that this well is not brought into compliance **on or before April 25, 2003** you will be summoned to a hearing in Santa Fe to **Show Cause why this well should not be plugged and civil penalties assessed.**

Respectfully yours,

Tim Gum, District Supervisor, District II

cc: OCD Legal