



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

October 05, 2005
Cabal Energy Corporation
415 West Wall Street
Midland, TX 79701
Attn: Ms. Lindsay Truesdell or To Whom It May Concern

RE: Cabal Energy Corporation: High Hog '9' Federal # 1, surface location being 460' FNL & 2450' FEL, Section 9, T-25-S, R-25-E, Eddy County, New Mexico API # 30-015-33462

Cabal Energy Corporation: Aztec 35 Federal Com # 3, surface location being 1250' FNL & 900' FWL, Section 35, T-10-S, R-25-E, Chaves County, New Mexico API # 30-005-63727

Cabal Energy Corporation: Aztec 35 Federal Com # 1, surface location being 660' FNL & 660' FEL, Section 35, T-10-S, R-25-E, Chaves County, New Mexico API # 30-005-63714

Dear Lindsay or To Whom It May Concern,

The above noted wells are to **shut-in today-October 05, 2005** for New Mexico Oil Conservation Divisions' (NMOCD) non-compliance with its' rules and regulations.

In addressing **current issues as of today of Cabal Energy Corporation's non compliance** , our office has not received NMOCD form C-104 (Request for Allowable and Authorization to Transport) documentation for the Aztec '35' Federal Com. # 1 & 3 wells. Please refer to NMOCD rule 1104.

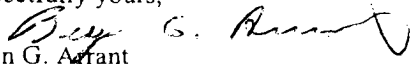
As for the High Hog Federal '9' Federal #1 well the following regulatory information is required for this well to go back in to production:

- The 'shallow' well deviation report. As described over the phone, we need the well deviation survey reports and to be notarized. Please refer to NMOCD Rule 111(B)(1).
- Re-Submittal of form C-104, which shows the ACTUAL BHL. Please refer to NMOCD Rule 111(C) (4).
- Re-submittal of the Bureau of Land Management completion report 3160-4 that show the actual "At top prod. Interval report below" and the "At total depth" entries. Please refer to NMOCD Rule 111 (as above) and NMOCD Rule 14
- The 'shallow' run of the Dual Laterolog and **ALL other copies of logs ran**, such as the composite runs of the measured depth and the true vertical depth of the composite log runs. Please refer to NMOCD Rule 1105 (A).
- An amended BLM form 3160-5, which shows how the TOC on the 5-2 liner was determined at 7523'.
- Please refer to NMOCD Rule 1103 (D) (A) and NMOCD Rule 14.

As of this date, we have not received the requested information. In addition, please note that the NMOCD will pursue A "Notice of Violation" (NOV) against your company that may include fines for the non-compliance of these issues.

Please call me if you or others with Cabal Energy Corporation of any concerns or questions regarding this matter.

Respectfully yours,


Bryan G. Arant
PES

cc: Tim Gum-Artesia District Supervisor
Daniel Sanchez-Santa fe, Compliance Manager
Well file