



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

9/24/2003

C F M Oil Co
PO Box 1176
Artesia, NM 88210

RE:

API Well No	Well Nm	Well No	Wh. Sec	Wh. Twp	Wh. Rng
30015234510000	STATE B 1111	012	22	17	28
30015236610000	STATE B 1111	022	22	17	28
30015234550000	STATE B 1111	016	22	17	28
30015231420000	STATE B 1969	015	22	17	28
30015234540000	STATE B 1111	015A	22	17	28
30015234520000	STATE B 1111	013	22	17	28
30015231380000	STATE B 1111	008	22	17	28
30015232440000	STATE B 1969	018	22	17	28
30015233950000	STATE B 1969	019Y	22	17	28
30015232320000	STATE B 1969	016	22	17	28
30015231430000	STATE B 1969	017	22	17	28
30015231410000	STATE B 1969	014	22	17	28
30015235690000	STATE B 1111	018	22	17	28
30015232310000	STATE B 1111	010	22	17	28
30015234530000	STATE B 1111	014	22	17	28

Dear Sirs:

This second directive is to notify you that this well is still in violation of Rule 103.

On August 22, 2003 a letter was sent notifying you of the violation of Rule 103. An inspection on September 23, 2003 found no action had been taken.

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

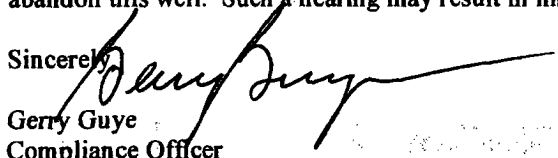
19.15.3.103 SIGN ON WELLS

- A. All wells and related facilities regulated 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.
- B. For drilling wells, the sign shall be posted on the derrick or not more than 20 feet from the well.
- C. 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.
- D. The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive sequence.
- E. 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.
- F. 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.

In the event that a satisfactory response is not received to this letter of direction by October 24, 2003, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,


Gerry Guye
Compliance Officer
NMOCD - District II