



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

August 19, 2004

Reliance Energy, Inc.  
6 Desta Drive, Suite 5500  
Midland, TX 79705

Attn: Dee Ann Kemp or To Whom It May Concern:

**RE: Willow Spring '33' #3, located in Unit D, 660' FNL & 660' FWL, of Section 33 in Township 4 South, Range 25 East in Chaves County, New Mexico. API # 30-005-63348**

Dear Ms. Kemp or To Whom It May Concern

Concerning the above referenced well, the New Mexico Oil Conservation Division (NMOCD) has yet to receive the following:

- Notarized well deviation report. (on deepening of well.)

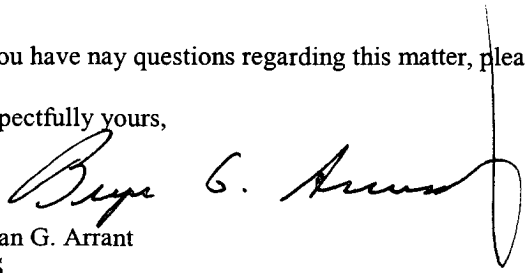
As we discussed yesterday on August 18, 2004, said well is to be shut in immediately and a deviation test run and submitted to our office. Below is the following NMOCD rules that I myself am aware that your company is currently in violation of.

19.15.3.111 DEVIATION  
TESTS AND DIRECTIONAL WELLS:

(1) Deviation Tests Required. Any vertical or deviated well which is drilled or deepened shall be tested at reasonably frequent intervals to determine the deviation from the vertical. Such tests shall be made at least once each 500 feet or at the first bit change succeeding 500 feet. A tabulation of all deviation tests run, sworn to and notarized, shall be filed with Form C-104, Request for Allowable and Authorization to Transport Oil and Natural Gas.

If you have nay questions regarding this matter, please call me.

Respectfully yours,

  
Bryan G. Arrant  
PES

Cc: Tim Gum- District Supervisor, Artesia  
Well File