



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

9/15/2004

CFM Oil Co
PO Box 1176
Artesia, NM 88210

RE:

API_WellNo	Well_Nm	Well_No	Wh_Sec	Wh_Twpr	Wh_RngN
30015225800000	GILLESPIE STATE	011	27	17	28
30015225510000	GILLESPIE STATE	010	27	17	28

Dear Operator:

This second directive is to notify you that this well is still in violation of Rule 201.

On July 13, 2004, a letter was sent notifying you of the violation of Rule 201. A search of the well files on September 15, 2004, found no correspondence indicating the well had been brought into compliance. **To avoid further enforcement action these well(s) must be in physical compliance by the date indicated below.**

A copy of the OCD Rulebook may be obtained on our web page at www.emnrd.state.nm.us/oed in pdf format.

Rule 201 of the New Mexico Oil Conservation Division provides in part as follows:

201 WELLS TO BE PROPERLY ABANDONED

201.A. The operator of any well drilled for oil, gas or injection; for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof. [7-12-90...2-1-96]

201.B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within ninety (90) days after:

- (1) A sixty (60) day period following suspension of drilling operations, or
 - (2) A determination that a well is no longer usable for beneficial purposes, or
 - (3) A period of one (1) year in which a well has been continuously inactive.
- [7-12-90...2-1-96]

In the event that a satisfactory response is not received to this letter of direction by October 15, 2004, 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
Deputy Field Inspector