

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 E LaRue & B M Muncy Jr. PO Box 1370 Artesia, NM 88211-1370

RE:

Hollis #1

30-015-02817

L-36-16-29

Dear Sirs:

This second directive is to notify you that these wells are still in violation of OCD Rules.

On March 12, 2003 an inspection was performed on the above well(s) and it was found the well(s) failed to meet mechanical integrity standards and were required to be shut – in. A review of our records indicates no correspondence has been received which indicates the well(s) have been brought into compliance. Request you furnish this office, in writing, the necessary information as to the status of the well(s) by the date indicated below.

In the event that a satisfactory response is not received to this letter of direction by October 10, 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