nergy, Minerals and Natural Resources Department

Bill Richardson Governor

Deputy Cabinet Secretary

Joanna Prukop

Cabinet Secretary

Reese Fullerton

7006

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Mark Fesmire **Division Director** Oil Conservation Division



NOTE: Response Required – Deadline Enclosed

Dinero Operating Co. PO Box 10505 Midland TX 79702

June 24, 2008

Reference: Dinero State Com 002 30-015-25093 P-16-22s-28e Eddy County, New Mexico

Operator,

An inspection was made on this site by a NMOCD Field Inspector on 5/15/08. Subsequently, a Letter of Violation was issued to Dinero Operating for an open drilling pit at this site. In a phone conversation between myself and Charlie Williams w/Dinero Operating on 5/20/08, Mr. Williams indicated that this drilling pit belonged to a plugged well drilled by Bird Creek Resources. A review of the records indicates that this pit may have been constructed for use in drilling the Bird Creek well. However, a review of the photos taken by the NMOCD Field Inspector on 5/15/08 shows that Dinero Operating has installed a blow-down line from the Dinero State Com 002 well to terminate in the subject drilling pit. Since Dinero Operating has been using this pit, NMOCD is now requesting Dinero Operating to close the pit per current rules and quidelines. The pit rule in effect as of the date of this letter is 19.15.17 [NMAC].

Please submit your closure plan not later than July 24, 2008. Pit is to be closed and closure report submitted within 30 days of NMOCD approval for closure.

Sincerely.

Mike Bratcher NMOCD District 2 1301 W. Grand Ave. Artesia, NM 88210

M/W KIARIA

(575) 748-1283 Ext. 108

