



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

*File  
Copy*

Lori Wrotenbery

Director

Oil Conservation Division

12 April 2002

**Via Certified Mail**

Slayton Resources Inc.  
P.O. Box 2035  
Roswell, New Mexico 88202-2035

**RE: NOTICE OF VIOLATION: NMOCD Rule 201 and Rule 103**  
Slayton Resources Inc.  
Diablo State # 2 I-16-10-27 API# 30-005-60020

Dear Sirs:

**This letter shall serve as a Notice of Violation of the rules of the New Mexico Oil Conservation Division.**

You were notified of this matter by letters dated 1-17-2002 and 3-1-2002. This certified letter is being sent in part because all of the foregoing directives have brought no response.

Rule 201 of the New Mexico Oil Conservation Division provides 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.



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

## 103 SIGN ON WELLS

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

[1-1-50...2-1-96; 6-30-97; A, 3-15-00]

Your above referenced well has remained inactive for a considerably longer time than allowed under this Rule. Further, when the well was inspected on 1-15-2002 and 4-8-2002, the required well sign was found to be absent. Your failure to respond to OCD directives and failure to bring this well into compliance is a serious violation of the Rules and merit a severe sanction, up to and including abandonment and plugging.

**In the event that a satisfactory response is not received to this letter of direction by 30 April, 2002,** 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.

Respectfully yours,

Tim Gum, District Supervisor, District II

cc: OCD Legal