



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Carol Leach
Acting Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

1/29/02

*J. L.
Copy*

Stevens Operating Corp.
P.O. Box 2203
Roswell, New Mexico 88202

RE: Kilmer # 1

I-23-7-26

30-005-62617

This well is in violation of Rule 201. These wells must be brought into compliance. A form C-103 well, must be filed in this office on or before 15 February, 2002 outlining how the well will be brought into compliance. To bring it into compliance you have 3 options:

1. Put the well into production.
2. T.A. the well.
3. P. A. the well.

In the event that a satisfactory response to this letter of direction is not received by the date stated further enforcement would occur. Such enforcement may include this office applying to the Division for an order showing cause why an appropriate Order permanently abandoning the above-referenced well(s) and for appropriate penalties to be issued.

Sincerely,

Van Barton
Field Rep. II