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110 North Guadalupe, Suite 1,

P.O. Box 2208, Santa Fe, New Mexico 87504-2208

Monday, March 11, 2002

To:

Tim Gum

Oil Conservation Division - Artesia

Fax: 505.748.9720

Phone:

From: Michael H. Feldewert

Fax: 505.983.6043 Phone: 505.988.4421

Message: Re: Case No. 12811

Attached is a copy of our letter to David Brooks at the OCD-Santa Fe.

No Confirmation Copy		Number of pages including cover sheet: 2				
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Attorney Number: 5104	Client/Matter Number:	45967.0002	Time Deadline:			
Operator Initials: is	Date Transmitted:	03.11.02	Time:			

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TELEPHONE (505) 988-4421 FACSIMILE (505) 983-5043 Michael H. Feldewert

mfeldewert@hollandhart.com 45967.0002

March 11, 2002

VIA FACSIMILE

David K. Brooks, Esq.
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: Case No. 12811

Cibola Energy Corporation
Ysletano Canyon Federal Well No. 1

Dear Mr. Brooks:

By letter dated February 7, 2002, Mr. Yates set forth the history of the Ysletano Canyon Federal Well No. 1 and asked to be informed why the Division considered this well to be in a "non-compliant" status. Attached is the BLM Form noting the results of today's well integrity test. You will see the BLM has approved the status of this well for the next 12 months.

If the Division still considers this well to be "non-compliant" and intends to call this well for hearing on February 21st, please explain the basis for such action.

Sincerely,

Michael H. Feldewert

MHF/js Enclosure

cc: Mr. Tim Gum, Oil Conservation Division - Artesia w/o encl. Harvey Yates, Jr. w/o encl.

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March 11, 2002

VIA FACSIMILE

David K. Brooks, Esq.
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

Re: Case No. 12811

Jalapeno Corporation

Louise Yates State Well No. 1 (API No. 30-005-62894)

Dear Mr. Brooks:

Enclosed please find Administrative Order SWD-830. I understand from our earlier conversations that this order sets forth the "remedial action" necessary for this well and that this matter will be removed from the list of "non-compliance" wells subject to hearing under Case No. 12811.

If the Division still considers this well to be "non-compliant" and intends to call this well for hearing on February 21st, please explain the basis for such action.

Sincerely,

Michael H. Feldewert

MHF/js Enclosure

cc: Mr. Tim Gum, Oil Conservation Division - Artesia w/o encl. Harvey Yates, Jr., Jalapeno Corporation w/o encl.