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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director

Oil Conservation Division

Response Required – Deadline Enclosed

29-Jun-11

KAISER-FRANCIS OIL CO

PO BOX 21468
TULSA, OK 74121-

**LETTER OF VIOLATION
Delinquent Regulatory Filings**

Dear Operator

Oil Conservation Division ("OCD") records indicate that you failed to file the required reports identified below, or that your filings were incomplete or inaccurate.

NON-COMPLIANT WELL DETAIL SECTION

BELL LAKE No.029

Location: 5-24S-34E

30-025-38566-00-00

Original Well Type: Oil (Producing)

Well Status: New (Not Drilled /

Determination or Violation Date: 6/29/2011

Delinquent Report or Filing(s): - Logs - Other Monitoring and
Reporting Violation

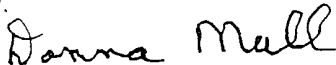
Comments: In reviewing well file and production, I find that you are producing this well without an authorized allowable. Paperwork still required is the Deviation survey, full set of logs, form C-104 for the allowable and the BLM completion report. Please shut this well in until you have the signed authorized C-104. If you have questions on this matter, please call Donna Mull (575) 393-6161 ext 115.

CORRECTIVE ACTION ON THIS WELL DUE BY: 7/29/2011

Please file or correct the reports identified above by the corrective action due date indicated. If you fail to file or correct the reports by that date, the OCD will take enforcement action that may include but is not limited to applying for an order assessing civil penalties and/or requiring you to plug and abandon the wells associated with those reports.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,



Hobbs OCD District Office

**EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240**

Kaiser Francis Oil Co
ATT: Charlotte Van Valkenburg
P O Box 21468
Tulsa OK 74121