

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



HOBBS OCD

NOV 01 2012

November 1, 2012

Hal J Rasmussen Operating INC
223 W Wall Street, Suite 902
Midland, Texas 79701

RECEIVED

RESPONSE REQUIRED BY November 20, 2012

Dear Operator:

According to Oil Conservation Division (OCD) records, you are the operator of record of wells listed below. The last two columns indicate current well status and months since last reported production.

Amoco Stone #1	30-025-27936	Active	74 months
Gecko 27 State #1	30-025-33021	Active	74 months
Kaiser State #10	30-025-02539	Active	16 months
Kaiser State #14	30-025-02543	Active	16 months
Kaiser State #43	30-025-32048	Active	16 months
Reed Estate #1	30-025-07258	Active	78 months
State 23 #25	30-025-02579	Active	16 months
State B #12	30-025-02541	Active	51 months
State E #22	30-025-02572	Active	16 months
State P #6	30-025-30334	Active	16 months
Wilson State #4	30-025-02578	Active	16 months
State A #2	30-025-08467	Plugged 12/28/08, Loc. Not Released	

OCD rules require wells that have been inactive for more than one year plus ninety days to be plugged and abandoned, placed on approved temporary abandonment status, or returned to active status (Rule 19.14.25.8 NMAC). Please return the well(s) to compliance as soon as possible. If you are taking action to return the well(s) to compliance in the immediate future, please contact Daniel Sanchez, OCD Compliance & Enforcement Manager, at 505-476-3493 or Daniel.sanchez@state.nm.us. You may be able to avoid enforcement action.

If the OCD does not hear from you by November 20, 2012, the OCD will file applications for hearing to seek plugging orders for state or fee wells out of compliance with Rule 19.15.25.8

NMAC that have been inactive for excessive periods of time. The OCD will seek an order requiring the operator to plug the well by a certain date, and authorizing the OCD to plug the well and the operator will forfeit any available financial assurance if the operator fails to comply.

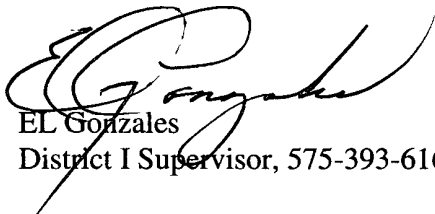
If the well is not covered by a financial assurance or if the financial assurance is not sufficient to cover the OCD's plugging costs, the OCD may bring suit against the operator for indemnification. See NMSA 1978, Section 70-2-14(E).

In addition, pertaining to the Plugged and Abandoned well, the operator shall as soon as practical, but no later than one year after the completion of plugging operations, the operator shall: Level the location, remove deadmen and other junk, and take other measures necessary or required by the division to restore the location to a safe and clean condition.
Per Rule 19.15.25.D.

Please contact me if you have any questions concerning this issue.

Sincerely,

OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'EL Gonzales', is written over the typed name and title.

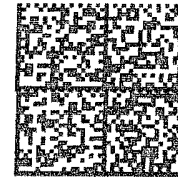
EL Gonzales

District I Supervisor, 575-393-6161 (102)

Cc: OCD Santa Fe

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240

HAL J RASMUSSEN OPERATING INC
223 W WALL STREET, SUITE 902
MIDLAND, TX 79701



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