



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 8, 2001

Cobra Oil and Gas Corporation
2201 Kell Blvd
Wichita Falls, Tx 76308

RE: State 3 # 1
Unit Letter F, Section 3, Township 10 South, Range 36 East
API # 30-025-33721

Gentleman:

Through routine inspection and record review it has come to our attention that the above referenced well has been shut in for an extended period of time. Order R -9210 state that a well can not be shut in for longer than a year. The following options are available for the future disposition of the above well.

1. Restore the well to production
2. The well temporarily abandoned in accordance with Rule 203
3. The well plugged and abandoned in accordance with Rule 202

This letter is the first step in the documentation to schedule a Show Cause Hearing. To avoid further action on this well the NMOCD request that you submit a NMOCD form C-103 telling us your intent for this well by September 10, 2001. If you do not respond we will have no choice but to schedule a Show Cause Hearing. We request that you notify this office 24 hours prior to any operation, either repair or plugging and pressure test upon completion of repairs or to request TA status.

OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "BEP", written over the typed name Billy Prichard.

Billy Prichard
505-393-6161 ext 107
Cell 505-369-6412
bprichard@state.nm.us
Deputy Inspector, District 1

NMOCD forms are available on the internet www.emnrd.state.nm.us

Cc: Chris Williams
Gary Wink
Sylvia Dickey
File