

# Memo

*From*  
DIANE RICHARDSON  
*Bonding Department*

*To*

JERRY -

Please follow-up on this  
and let Bob know if he doesn't  
take care of this.

Thanks

*Diane*

~~asked Jerry to have loc's~~  
9-16-91 CK 6-18-91  
note to Diane - all wells in compliance

Oil Conservation Division Santa Fe, New Mexico 87504  
(505) 827-5806



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

May 28, 1991

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Chi Operating, Inc.  
Attn: David Harrison  
P.O. Box 1799  
Midland, TX 79702

RE: N.M. Cap #1-F  
Cooper #1-B  
McKamey Federal #1-F

Gentlemen:

Reference is hereby made to letter dated April 9, 1991, from Jerry Sexton of the Hobbs District Office of the OCD to your company, a copy of which is attached hereto and incorporated herein.

As a result of your failure to comply with the requirements as set forth in Mr. Sexton's letter a civil penalty of \$100.00 for each violation is hereby assessed. A violation is each item identified in Mr. Sexton's letter for each well, and each day of non-compliance after May 9, 1991 constitutes a separate violation. The assessment for each well is as follows:

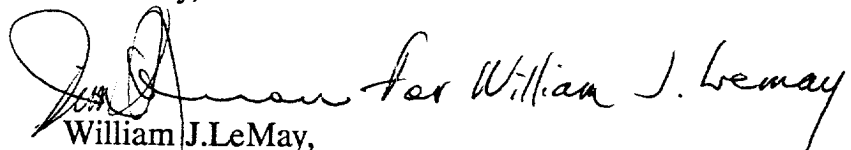
PA released 9-16-91 N.M. Cap #1-F - Five violations per day - \$500.00 per day

PA released 9-5-91 Cooper #1-B - Five violations per day - \$500.00 per day

OK McKamey Federal #1-F - One violation per day - \$100.00.

If you comply with the requirements of Mr. Sexton's letter within ten (10) days of the date of this letter, the penalties will be suspended. If you fail to comply with that timeframe, the Penalty will be assessed at \$1,000.00 per violation (per day) until you have complied and action will be initiated to compel compliance and enforce the assessment.

Sincerely,

  
William J. LeMay,  
Director

cc: Jerry Sexton