



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT I HOBBS
1625 N. French Drive
(505) 393-6161
FAX (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

March 2, 2000

Sage Energy Company
P.O. Drawer 3068
Midland, TX 79702

RE: NVANU "1-B", WELL #1
UNIT F, S1-T17S-R34E

Gentlemen:

An Oil Conservation Division Representative inspected the above location on March 1, 2000. The OCD representative found the well to have a steady drip of fresh water from the tubing\ casing annulus.

Mr. Eddie Elliott was notified and made aware of the problem. The OCD requires that the well be repaired within 90 days of receipt of this letter.

We require 24 hours notice prior to any repairs and testing performed, so that an OCD representative may be present to witness.

If you have any questions, please contact Gary Wink at the above number.

Sincerely,

CHRIS WILLIAMS
District I Supervisor

/sad

cc: Gary Wink
Johnny Robinson
OCD-Santa Fe
File