

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON
GOVERNOR

JENNIFER SALISBURY
CABINET SECRETARY

January 30, 1997

Strata Production Co.
P. O. Box 1030
Roswell, NM 88202-1030

Re: Properly Abandoned Wells, Strata Prod. Co., Chaparral, State #2
Ut D, Sec 32-19S-29E

The state of New Mexico is in the process at this time of reviewing leases and determining the number of abandoned wells.

Rule 201 A. states the operator of any well drilled for oil, gas or injection, for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof.

Rule 201 B. states a well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within 90 days after (1) a 60 day period following suspension of drilling. (2) a determination that the well is no longer usable for beneficial purposes. (3) a period of 1 year in which a well has been continuously inactive.

House Bill 65 has been passed by the legislature and provides some tax incentives for wells put back in production. However, if there are no plans to put this well back in service then it needs to be either plugged or properly temporarily abandoned.

The above captioned well was temporarily abandoned in late 1992. Please forward to the NMOCDA Artesia office by March 1, 1997 your intentions. If there are no plans for further development on this well then it will need to be brought into compliance with Rule 201 B.

Yours Truly



Tim W. Gum
District II Supervisor