



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

July 27, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. John Cunningham
Saguaro Oil Company
Box 51
Farmington, New Mexico 87401

Dear Mr. Cunningham:

As you already know, on May 1, 1978, you called me to say that if the Division would make arrangements with the owner of the land on which the Tenneco-Santa Fe No. 1 is located, you would immediately be there to drill out the top plug and tag the next in order to prove that the well was plugged in accordance with the program specified. On June 30 I wrote you that permission had been obtained from the Moleres Ranch, and you should contact Al Kendrick in regards to starting this work. On July 19 I again wrote you stating that unless this work was commenced, and all other Division complaints remedied by August 11, a Default Judgment would be sought against you. Our position has not changed. Mr. Kendrick has informed me that:

1. the Moran State Well No. 1 has not been properly plugged;
2. no bond has been obtained for the Tenneco-Santa Fe Well No. 1;
3. a proper C-103, report of casing strings and cement test, has not been filed;
4. Order No. R-5694 has not been complied with.

I hope that we can settle this matter by August 11.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/dr

cc: Al Kendrick

