



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

TONY ANAYA
GOVERNOR

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

June 17, 1983

Mr. Gary Blanks
Capitol Oil & Gas Corp.
P.O. Box 2130, Kilgore Tex. 75662

Re: SFPRR #22 H-29-16N-6W
Fernandez #1 J-21-16N-6W

Dear Gary;

An inspection conducted on 6-15-83 reveals that the Fernandez #1 is not plugged and abandoned as stated on Form C-103 and is flowing fresh water outside the surface pipe. As this well is in a proposed steam flood you have the potential for a very serious problem. You are hereby directed to initiate some form of division approved remedial action within 30 days.

The SFPRR does not have a legal dry hole marker. Rule 202-A states that a plugged and abandoned well will be marked with a steel pipe at least 4" in diameter and extending at least 4' above ground level. It must show operator, well name and number, $\frac{1}{4}$ $\frac{1}{4}$ section, section, township and range and may be welded, stamped, or engraved.

If you have any questions please contact me.

Yours truly

Charles Gholson
Deputy Inspector

CG/vm

xc: Perry Pearce
Dick Stamets
Reading File
UIC File
Operator File
Well Files