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OIL CONSERVATION COMMISSION

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO

February 11, 1964

El Paso Natural Gas Company Box 990 Farmington, New Mexico

Attn: Mr. William Cutler

Re: El Paso Natural Gas Co. #2 Pipkin E-7-27N-10W, Fulcher Kutz-Pictured Cliffs Pool

Dear Sirt

The above well was originally drilled by Byrd-Frost in 1951 and later transferred to El Paso Natural Gas Company. In 1956 the well was disconnected from the pipeline and temporarily abandoned. Subsequently, several inquiries have been made from this office to your company requesting that a final disposition of the well be made. In answer to these inquiries El Paso has notified us that it is their intention to plug and abandon this well, but no actual action has ever been taken.

On February 10, 1964, Commission personnel inspected the well. It was found that the bradenhead is flowing water into a nearby stock tank. The tubing and casing values are both open. It was also noticed that when the bradenhead value was closed water immediately began flowing from the production casing, indicating direct communication between the production and surface casing. If any plug was ever set between this water and the Pictured Cliffs Formation our records do not reflect it.

The above conditions represent a flagrant violation of the rules and regulations of the New Mexico Oil and Gas Conservation Commission. We are, therefore, directing that immediate action be taken to properly plug and abandon this well. If it is the wish of El Paso and the landowner to convert the well to a water well this may be done providing the Pictured Cliffs Formation is properly squeezed off with cement and an additional 100-foot cement plug is set below the point of water entry into the well bore. We are enclosing copies of "Affidavit of Responsibility-Conversion to Water Well." This form is used for transferring the well to the landowner. As this well is located on Federal