OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 57410 (506) 334-6178 Fax (505)234-6170

JENNIFER A. SALISBURY CABINET SECRETARY

June 30, 1997

GARY E. JOHNSON GOVERNOR

> Patsy Clugston Phillips Pet Co 5525 Hwy 64 NBU 3004 Farmington NM 87401

RE: San Juan 30-5 Unit #103, M-03-30N-05W, 30-039-23223

Dear Patsy:

The above-mentioned well was approved for P&A on 10-4-96. Since then the plans have been changed and Phillips does not plan to P&A the well. The #103 well is in non-compliance with Rules #201, #202 & #203 and must be brought into compliance before 9-30-97. Rule #203C requires a cast iron bridge plug set within 100 ft. of the perforations, the casing loaded with an inert fluid and pressure tested with 500 PSI for 30 minutes with less than 10% drop in pressure. The well will be approved for five years unless the well fails the test. If the well fails the test, the well will be plugged and abandoned or the casing repaired within 90 days. If the well is not in compliance by 9-30-97, the well will be turned into Santa Fe OCD for a show cause hearing about why the well should not be plugged and abandoned.

Please feel free to call me at 505-334-6178 if I can be of any help.

Sincerely,

Johnny Robinson

Deputy O&G Inspector

JR/sh

cc: well file
SI well file