

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

TONEY ANAYA

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

February 10, 1986

Mr. James Smith Southland Royalty Co. P.O. Box 570 Farmington, NM 87499

Re: Federal PRI #1 O-11-29N-12W

Dear Smitty:

As you will recall Southland Royalty Co. was directed to repair the casing, or plug and abandoned the referenced well on March 7, 1985. Your company and co-owner Producing Royalties Inc., were given an extension to October 26, 1985, to prepare a cost estimate and a plugging program.

As no further effort has been made to initiate remedial or plugging activity, you are hereby directed to initiate such activity before March 10, 1986.

Failure to comply will result in a case being called for Southland Royalty Co., Producing Royalty Inc., and all other interested parties to appear and show cause why the Federal PRI #1, should not be plugged and abandoned in accordance with a BLM-OCD approved plugging program, or repaired and put back on production.

If you have any questions, please contact this office.

Yours truly,

Charles Gholson

Oil & Gas Inspector

CG/dj

xc: Richard Stamets

Jeff Taylor

John Keller - BLM Farmington

Well File

Mr. Paul Payne - Producing Royalties Inc.

P.O. Box 1071

Lubbock, TX 75405