ENERGY, MINERA

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

GARY E. JOHNSON GOVERNOR

JENNIFER A. SALISBURY CABINET SECRETARY

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

Certified: P-987-892-130

January 27, 1995

John Caranta 20 Rd 3970 Farmington NM 87401

RE: Caranta #1, J-23-32N-01W, #30-039-22806

Dear John:

As established in our conversation of Thursday, January 26, 1995, you will need to bring the Caranta #1 up to date via the completion of a form C-103 showing a change of operator from CMS Oilfield Service back to you John Caranta, or Cardel Oil Company, along with your stated intention for further work on the above referenced well. A new plugging bond will also have to be submitted under the new operator's name.

Please be advised that you are in violation of rule #101 of the NM Rules & Regulations Manual which requires a current plugging bond for each well. Also, rule #201 requires a well to be properly abandoned if there is a period of one year in which a well has been continuously inactive.

Please submit a C-103 (a blank form is enclosed) and the plugging bond within 30 days to avoid a possible fine.

Sincerely,

Johnny Robinson

Deputy Oil & Gas Inspector

Johnny Robinson

JR/sh

enc

cc: well file

RAICE