

COMPANY Kault Petroleum	PROPERTY NAME Armstrong State	WELL NO. 1
DATE	LOCATION (ULSTR) J-2-3-19	FOOTAGE 1980' S + E
API NO.	POOL Wildcat Abo	

- ① Spot a 30 sx plug @ 2590' + tag
- ② load hole w/ salt gel to 920'
- ③ Perft 4 1/2 @ 910' + circulate cmt to surface leaving 4 1/2 standing full of cement.
- ④ Set PA marker
- ⑤ Clean + level location

After



* Contractor will be responsible for checking condition of roads + locations before bidding

85' @
860'

CASING RECORD:

BEFORE EXAMINER

OIL CONSERVATION DIVISION

OCD EXHIBIT NO. 1A

CASE NO: 12280

Perfs @
2590'

4 1/2 @ 3897'

COMPANY <i>Rault Petroleum Corp.</i>		PROPERTY NAME <i>Armstrong State</i>		WELL NO. <i>1</i>
DATE	LOCATION (ULSTR) <i>J-2-3-19</i>	FOOTAGE <i>1980' S+E</i>		
API NO.		POOL <i>Wildcat Abo</i>		

Before

8 5/8" e 860'

CASING RECORD:

8 5/8" e 860' c
4 1/2" c 3897' c 9505x 50/50 poz
 Perforations *2590-94'*
 2680-86'

Perfs
2590-2786 =

4 1/2" e 3897' c

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
GOVERNOR

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY
CABINET SECRETARY

August 2, 1996

Rand Carroll, Legal Bureau
Oil Conservation Division
2040 South Pacheco St.
Santa Fe NM 87505

Re: Well Plugging, Rault Petroleum Co.:
Union State #1 Ut F 24-8S-27
Ridge State #1 Ut G-24-1N-20
Amoco State #1 Ut G-23-8S-27
Mark W. Isler #1 Ut M-33-3S-25
Armstrong St #1 Ut J-2-3S-19

Dear Rand,

We recommend the above captioned wells be plugged to protect the fresh waters of the state of New Mexico, and the environment and correlative rights in the area.

According to the information we have received Rault Petroleum was placed in Chapter 7 Bankruptcy by the U.S. Bankruptcy Court for New Mexico on May 6, 1985. We have no formal notification of this however, only a letter provided to us by Yates Petroleum Corp. from the United States Department of the Interior.

If I may assist you further please let me know.

Yours Truly,



Ray Smith
Deputy Oil & Gas Inspector

RS:br

FISK & VANDIVER

Attorneys at Law

Seventh & Mahone, Suite E
Artesia, New Mexico 88210-2075
(505) 746-9841

JOHN FISK
DAVID R. VANDIVER
JEFFREY L. BOWMAN

FAX
(505) 746-42

November 2, 1995

RECEIVED

NOV 03 1995

OIL CON. DIV.
DIST. 2

Mr. Tim Gum
New Mexico Oil Conservation Division
811 South First Street
Artesia, New Mexico 88210-2834

Re: Change of Operator
Grace Federal No. 1 Well
Township 2 South, Range 21 East, N.M.P.M.
Section 30: SE/4 SW/4
De Baca County, New Mexico

Dear Mr. Gum:

Rault Petroleum Corporation ("Rault") was the original operator of the Grace Federal No. 1 Well located on the captioned lands. Rault went through bankruptcy in 1985 and is now defunct. The well was located on United States Oil and Gas Lease NM 36379, which terminated effective June 30, 1991. Yates Petroleum Corporation ("Yates") held 75.5% record title interest in Federal Lease NM 36379.

By Order dated May 15, 1995, a copy of which is enclosed, the Roswell Resource Area of the Bureau of Land Management ordered Yates to submit for approval a Sundry Notice of Intent to Plug and Abandon the well. Yates sought an administrative review of the Order before the State Director of the Bureau of Land Management. By Decision dated August 29, 1995, a copy of which is enclosed for your information, the Deputy State Director of the Bureau of Land Management upheld the Order dated May 15, 1995 and ordered Yates to submit a Sundry Notice of Intent to Plug and Abandon the Grace Well. Yates complied with the decision by submitting a Sundry Notice on September 27, 1995 giving notice of its intent to plug and abandon the well.

As required by Rule 1104, I am enclosing five copies of Oil Conservation Division Form C-104 reflecting that Yates is succeeding Rault Petroleum as operator of the Grace Federal No. 1 Well. It is not possible to obtain Rault's signature on the change of operator because the corporation is no longer in existence. Please approve the change of operator so that Yates will be in a position to plug and abandon the Grace Well.

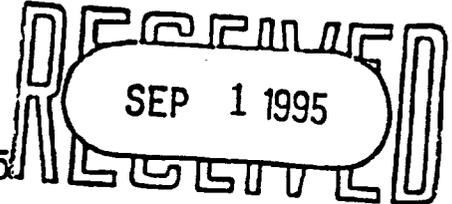


United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office
1474 Rodeo Road
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

IN REPLY REFER TO
NMNM36379
SDR 95-008
3165.3 (93200)



AUG 29 1995

CERTIFIED MAIL--RETURN RECEIPT REQUESTED

DECISION

Yates Petroleum Corp.
105 South Forth St.
Artesia, NM 88210

:
:
:
:
:
:

Order to Submit Sundry
Notice of Intent to
Plug and Abandon and
Assign Operator

Order Upheld

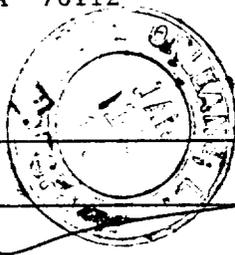
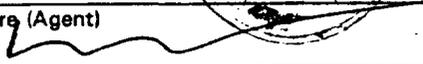
By letter dated June 13, 1995, Yates Petroleum Corporation (Yates) requested a State Director Review (SDR) of an Order issued by the Area Manager, Roswell Resource Area, dated May 15, 1995. Yates was ordered to submit a Sundry Notice of Intent to Plug and Abandon the No. 1 Grace Federal located in the SE1/4 SW1/4 of Section 30, T. 2 S., R. 21 E., DeBaca County, New Mexico, on Federal Oil and Gas Lease NMNM36379, and to assign a new operator for the No. 1 Tommy Federal and the No. 2 Eddleman Federal wells, located in the SE1/4 SE1/4 of Section 24, T. 9 S., R. 22 E., Federal Oil and Gas Lease No. NMNM20328, and the SW1/4 NE1/4 of Section 9, T. 7 S., R. 22 E., Federal Oil and Gas Lease NMNM36707, respectively.

Rault Petroleum Corporation (Rault Petroleum) drilled the No. 1 Grace Federal in 1982 under the terms of a farmout agreement between MTS Limited Partnership (MTS) and Corona Oil Company (Corona), then the record title holders of NMNM36379. By properly executed and filed Designation(s) of Operator from MTS and Corona, Rault drilled the No. 1 Grace under the lessee's bond, the policy then in place. There is no record of Rault Petroleum having a performance bond of it's own. According to a Sundry Notice subsequent report of drilling and cementing operations submitted by Rault Petroleum, dated July 10, 1982, casing was set and cemented on June 30, 1982 but the well was never perforated. This is the the last reported activity for this well. A well completion report, Form 3160-4, was never received by the RRA.

Federal oil and gas lease NMNM36379 was issued effective July 1, 1981 for a primary term of ten years. Paying production was never established and Federal oil and gas lease NMNM36379 terminated effective June 30, 1991, at the expiration of it's primary term.

The last approved assignments of record title prior to lease expiration were to ABO Petroleum Corporation, Myco Industries, Inc., Yates Petroleum Corporation, Yates Drilling Company, and Bechtel Energy Partners. According to information received in 1992, Rault Petroleum was placed in Chapter 7 Bankruptcy by the U. S. Bankruptcy Court for New Mexico on May 6, 1985. The RRA had no formal notification of the Rault Petroleum bankruptcy prior to 1992.

Is your RETURN ADDRESS completed on the reverse side?

SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Rault Petroleum Corp. 1100 Tulane Ave., Suite 1140 New Orleans, LA 70112		4a. Article Number Z 212 312 929	
5. Signature (Addressee) 		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent) 		7. Date of Delivery 12-11-96	
		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

PS Form 3800, March 1993

Sent to	Rault Petroleum
Street and No	1100 Tulane, Suite 1140
P. O., State and Zip Code	New Orleans, LA 70112
Postage	\$.32
Certified Fee	
Special Delivery Fee	2.20
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2.52
Postmark or Date	Mailed 12/15/96

Receipt for Certified Mail
 No Insurance Coverage Provided
 Do not use for International Mail
 (See Reverse)

Z 212 312 929

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
GOVERNOR

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

JENNIFER SALIS
CABINET SECRETARY

January 5, 1996

*Send
Registered
mail*

Rault Petroleum Corp
1100 Tulane Ave, Suite 1140
New Orleans LA 70112

Re: Properly Abandoned Wells

Dear Sirs;

The state of New Mexico is in the process at this time of reviewing leases and determining the number of abandoned wells.

Rule 201 A. states the operator of any well drilled for oil, gas or injection, for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof.

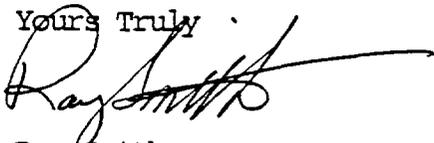
Rule 201 B. states a well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules with 90 days after (1) a 60 day period following suspension of drilling. (2) a determination that the well is no longer usable for beneficial purposes. (3) a period of 1 year in which a well has been continuously inactive.

House Bill 65 has been passed by the legislature and provides some tax incentives for wells put back in production. However, if there are no plans to put these wells back in service then they need to be either plugged or properly temporarily abandoned.

After reviewing Rault Petroleum files we see there are numerous wells on state land as well as federal land that need to be plugged.

Please advise the NMOCD District II office in Artesia, NM by February 1, 1996 of your plan to bring these wells into compliance.

Yours Truly



Ray Smith
Deputy Oil & Gas Inspector

RS:br

JUN 4 1982

O. C. D.
ARTESIA, OFFICE

NO. OF COPIES DESIRED	3
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

30. Indicate Type of Lease
State Fee
31. State Oil & Gas Lease No.
LG-8091

SUNDRY NOTICES AND REPORTS ON WELLS

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.

1. OIL WELL GAS WELL OTHER

2. Name of Operator
Rault Petroleum Corporation ✓

3. Address of Operator
103 N. Pennsylvania, Roswell, New Mexico 88201

4. Location of Well
UNIT LETTER J 1980 FEET FROM THE South 1980 FEET FROM
East LINE, SECTION 2 TOWNSHIP 3S RANGE R19E N.M.P.M.

7. Unit Agreement Name

8. Farm or Lease Name
Armstrong State

9. Well No.
1

10. Field and Pool, or WHDCes
Wildcat ABO

11. Elevation (Show whether DP, RT, CR, etc.)
3950' grd

12. County
Lincoln

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

After testing water from the ABO perforations 2590-94; 2680-86 feet; 2750-86 feet, June 2, 1982. We have decided to suspend completion operations and await further development in the area.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Jim W. Vidrine TITLE Manager DATE June 3, 1982

APPROVED BY [Signature] TITLE OIL AND GAS INSPECTOR DATE JUN 8 1982

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.A.	
LAND OFFICE	
OPERATOR	1

RECEIVED

APR 29 1982

3a. Indicate Type of Lease
State Free

3. State Oil & Gas Lease No.
LG 8091

SUNDRY NOTICES AND REPORTS ON WELLS

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEPLEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.

1. OIL WELL GAS WELL OTHER

2. Name of Operator
Rault Petroleum Corporation

3. Address of Operator
103 North Pennsylvania, Roswell, New Mexico 88201

4. Location of Well
UNIT LETTER J 1980 FEET FROM THE South LINE AND 1980 FEET FROM
THE East LINE, SECTION 2 TOWNSHIP 3S RANGE 19E

5. Elevation (Show whether DF, RT, GR, etc.)
3950' grd.

6. County
Lincoln

7. Unit Agreement Name

8. Farm or Lease Name
Armstrong State

9. Well No.
1

10. Field and Pool, or Wildcat
Wildcat *also*

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input checked="" type="checkbox"/>	

7. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any prop work) SEE RULE 1103.

- 1) Commenced drilling 12 1/4" Hole, 12:45 am, 3/24/82.
- 2) Drilled to 860' with full returns.
- 3) Ran 20 joints of 8 5/8, 24# casing, cemented with 400 sx 50% pozmix, Class "C", 6% gel, 2% CaCl., followed with 150 sx Class "C", 2% CaCl., PD @ 3:15 pm, 3/15/82, circulated 60 sx excess cement. WOC 18 3/4 hours.
- 4) Tested 8 5/8: casing with 600 psi.
- 5) Drilled 7 7/8" hole to 3897'.
- 6) Ran open hole electric and porosity logs.
- 7) Ran 94 joints, 4 12", 10.5#, j-55, landed @ 3892, cemented with 950 sx, 50% pozmix, Class "C", PD @ 11 a.m. 3/30/82.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Jim Vedone TITLE Manager DATE 4-27-82

APPROVED BY Mike Walker TITLE OIL AND GAS INSPECTOR DATE MAY 3 1982

CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

30-027-20017
Form C-101
Revised 10-1-78

NO. OF COPIES RECEIVED	
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SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	

RECEIVED
FEB 11 1982

O. C. D.
ARTESIA, OFFICE

5A. Indicate Type of Lease
STATE FCC
3. State Oil & Gas Lease No.
LG 8091

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL DEEPEN PLUG BACK
b. Type of Well
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

7. Unit Agreement Name
8. Farm or Lease Name
Armstrong State

2. Name of Operator
Rault Petroleum Corporation

9. Well No.
1

3. Address of Operator
808 W. Missouri, Midland, Texas 79701

10. Field and Pool, or Wildcat
Wildcat *abo*

4. Location of Well
UNIT LETTER T LOCATED 1980 FEET FROM THE South LINE
AND 1980 FEET FROM THE East LINE OF SEC. 2 TWP. T3S REC. R19E NMPM

12. County
Lincoln

18. Proposed Depth 3950'	19A. Formation ABO	20. Rotary or C.T. RT
21. Elevations (Show whether D.F., K.T., etc.) 4878gr.	21A. Kind & Status Plug. Bond \$50,000.00 Plugging	21B. Drilling Contractor Rault Drilling Co.
		22. Approx. Date Work will start March 1982

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2"	8-5/8"	24#	850'	1050	surface
7-7/8"	4 1/2"	10.5#	3950'	1000	1400

Rault Petroleum will move in Rotary tools, drill 12 1/2" surface hole, run 8-5/8" casing with proper float equipment, attempt to circulate cement to surface, if not successful, cement with 1" Kobe side string to circulate cement to surface, WOC 12 hours, nipple up 10"-900 double pipe preventer, test casing and BOP to 800psi, drill 7-7/8" hole to TD, Run open hole logs, run 4 1/2" casing to TD, cement casing with enough cement fill-up to circulate to surface casing.

*Posted ID
API + NL Book
2-19-82*

ACREAGE NOT DEDICATED

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 8-18-82
UNLESS DRILLING UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUS BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BEHWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Jerry Vidrio Title Manager Date Feb. 10, 1982

(This space for State Use)

APPROVED BY M. Williams TITLE OIL AND GAS INSPECTOR DATE FEB 18 1982

CONDITIONS OF APPROVAL, IF ANY:

All distances must be from the outer boundaries of the Section.

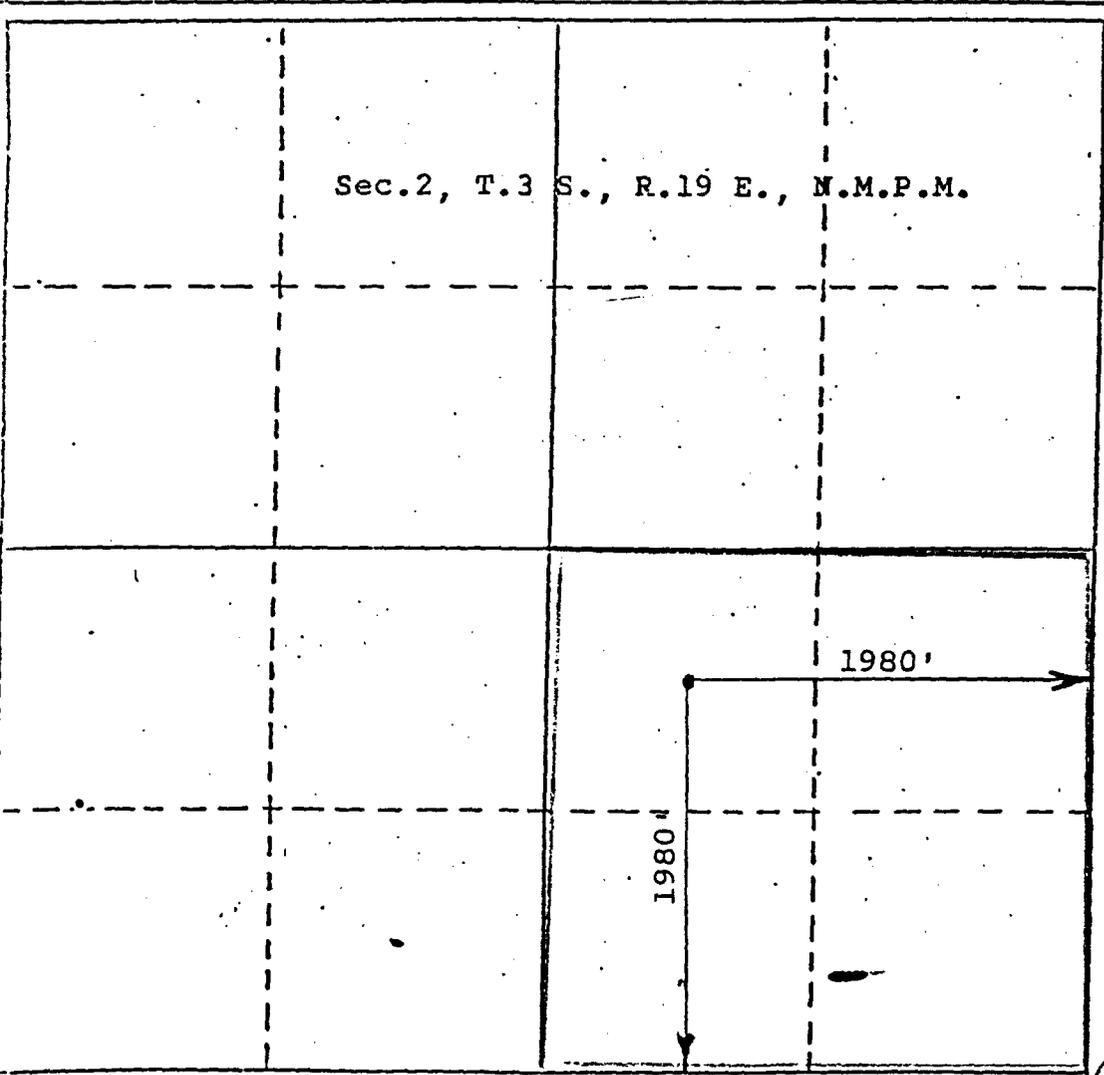
Operator Rault Petroleum Corp.		Lease Armstrong State		Well No. #1
Unit Letter J	Section 2	Township 3 South	Range 19 East	County Lincoln
Actual Postage Location of Well: 1980 feet from the South line and 1980 feet from the East line				
Ground Level Elev. 4878	Producing Formation ABO	Pool WILDCAT	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
J. W. VIDRINE

Position
MANAGER

Company
Rault Petro. Corp.

Date
FEB 11, 1987

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
February 8, 1987

Registered Professional Engineer and/or Land Surveyor
JOHN D. JAQUES

Certificate No. **6290**

NEW MEXICO OIL CONSERVATION COMMISSION
 DRAWER 100
 ARTESIA, NEW MEXICO

FIELD REPORT FOR CEMENTING OF WELLS

Operator <u>Rault Pet Corp</u>		Lease			Well #
Location of Well	Unit <u>J</u>	Section <u>2</u>	Township <u>3</u>	Range <u>19</u>	County <u>Lincoln</u>
Drilling Contractor	<u>Rault</u>		Type of Equipment <u>Rotary</u>		

APPROVED CASING PROGRAM

Size of Hole	Size of Casing	Weight Per Foot	New or Used	Depth	Sacks Cement
<u>12 1/4</u>	<u>8 5/8</u>	<u>24</u>	<u>850</u>	<u>1050</u>	

Casing Data:

Surface _____ joints of _____ inch _____ # Grade _____
 (Approved) (Rejected)

Inspected by _____ date _____

Cementing Program

Size of hole 12 1/4 Size of Casing 8 5/8 Sacks cement required _____
 Type of Shoe used Tex-Pat Float collar used Insert Btm 3 jts welded Yes