

30015 3823

PRINCIPAL: SALADO OPERATING LLC 149084

SURETY:

UNDERWRITERS INDEMNITY CO.

BOND NO.:

BO 5543

IDN 248085

TYPE:

\$5,000 ONE-=WELL

APPROVED:

OCTOBER 19, 1995

CANCELLED:

WELL LOCATION: 2970' FSL AND 1650' FEL OF SEC. 2, Well Location: T-16-S, R-30-E, EDDY COUNTY

.

OR COURT TO THE MESTON

CASE NO. \_\_ 124 38

October 19, 1995

Salado Operating, LLC PO Box 1925 Hobbs, NM 88241

Attention: Allen Hodge

Re: \$5,000 One-Well Plugging Bond

Salado Operating, LLC

Underwriters Indemnity Co., Surety 2970' FSL and 1650' FEL of Sec. 2,

T-16-S, R-30-E, Eddy County

Bond No. BO 5543

Dear Mr. Hodge:

The Oil Conservation Division hereby approves the above-referenced one-well plugging bond.

Sincerely,

WILLIAM J. KEMAY,

Director

dr/

cc: Oil Conservation Division Artesia, New Mexico

Underwriters Indemnity Co.

October 19, 1995

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Director

dr/

cc: Oil Conservation Division Artesia, New Mexico

Underwriters Indemnity Co.

## District I PO Box 1980, Hobbs, NM 2221-1980

## State of New Mexico Energy, Minerais & Natural Resources Department

Form C-104 Revised February 10, 1994

Date -

10-1-95

Tille

HOENT

District II Instructions on back OIL CONSERVATION DIVISION NO Drawer DD, Artesia, NM 88211-0719 Submit to Appropriate District Office District III 5 Copies PO Box 2088 Santa Fe, NM 87504-2088 1000 Rio Brazos Rd., Aztec, NM 87418 District IV AMENDED REPORT PO Box 2082, Santa Fe, NM 27504-2082 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT Operator name and Address OGRID Number SALADO OPERATING L.L.C. 149084 PO BOX 1925 Reason for Filing Code HOBBS NM 88241 10-1-95 СН ' API Number Pool Name Pool Code HENSHAW GRAYBURG WEST 30599 30-015-03823 ' Well Number Property Code Property Name 006 EAST HENSHAW UNIT <sup>10</sup> Surface Location Ul or lot so. Section Lot.Ida North/South Line | Feet from the East/West line Range Feet from the 2970 S 1650 Ε 015 30E 02 16S 11 Bottom Hole Location UL or lot Bo. Section Township Lot Ida Feet from the North/South line Feet from the East/West line County 2970 1650 015 165 30E 0.213 Producing Method Code " C-129 Effective Date 17 C-129 Expiration Date 12 Lac Code 14 Gas Connection Date 14 C-129 Permit Number Ρ III. Oil and Gas Transporters 19 Transporter Name 12 POD ULSTR Location <sup>11</sup> POD 11 O/G OGRID and Address and Description NAVAJO REFINING CO. 015694 944410 0 PO DRAWER 159 4.000 <u> ARTESIA NM 88211-1059</u> IV. Produced Water POD <sup>14</sup> POD ULSTR Location and Description 944450 I-02-16S-30E V. Well Completion Data " Spud Date 19 Perforations " Ready Date " TD <sup>™</sup> PBTD Hole Size <sup>33</sup> Sacks Cement 31 Casing & Tubing Size 12 Depth Set VI. Well Test Data Date New Oil M Gas Delivery Date " Cag. Pressure \* Test Date " Test Length M Thg. Pressure " Choke Size -4 01 4 Water " AOF " Test Method Gas . I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information gives above is true and complete to the best of my OIL CONSERVATION DIVISION knowledge and belief. Signature: Approved by: Title: 46098 ALLIN Approvai Date: Phone 505 392-9545 fill in the OCRID numb

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District I PO Box 1980, Hobbs, NM 88241-1980

District II

State of New Mexico
Energy, Minerals & Natural Resources Departs:

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Page: 1 Document Name: untitled

CMD : CNGARD

OG6CBBD CAPTURE BLANKET BONDS 08/30/99 15:49:35

OGOMCS -TPEZ

OGRID Identifier : 11830 Bond Idn : 10245 Bond Status : A Operator Name, Address : J & G ENTERPRISE LTD. CO.

PO BOX 100

ARTESIA, NM 88210

Bond Details - Type (Cash/Surety - C/S) : C Bond Co Idn : 13 Amount : 50000

Company OGRID Identifier: 26396

Company Name, Address : WESTERN BANK OF ARTESIA

P O DRAWER 500 ARTESIA, NM 88210

Limited as to future Liability (Y/N) : N If Limited, End Date :

Effective Date: 01-01-1900 Cancellation Date : 05-13-1998

Issuer Bond No : OCD-277

E7024: Only view is allowed

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM

PF08 PF09 COMMENT PF10 NXTBOND PF11 PF07 PF12

Date: 8/30/1999 Time: 04:05:49 PM

#### New Mexico

### ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JCHNSON Governor

JEWNIFER SALISBURY Cabinet Secretary

1-2-98

Rand Carroll, Legal Bureau Oil Conservation Diviaion 2040 So. Pacheco Street Santa Fe, NM. 87505

Re; Well Plugging; Salado Operating L.L.C, P.O.Box 1925 Hobbs, NM. 88241

Dear Rand;

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

Yours truly,

Ray /Smith

Ph: (505) 748-1293

155001- 1M 98210

## Salado Operating L.L.C. East Henshaw Unit

Tract 24- 1 Sec. 2-16-30 Ut. 0
Tract 10- 4 Sec. 2-16-30 Ut. I
Tract 15- 6 Sec. 2-16-30 Ut. 0
Tract 9- 7 Sec. 2-16-30 Ut. J

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### STATE OF NEW MENICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

### OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY ELICHNSON COVERNOR

JENNIFER SALISBUR CABINET SECRETARY

7-31-97 Salado Operating L.L.C. P.O.Box 1925 Hobbs, NM.88241

Re; Properly Abandoned Wells; Salado Operating East Henshaw Unit

Dear Sir:

The State of New Mexico is in the process at this time of reviewing leases to determin the number of abandoned and shut in 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 therof.

Rule 201 B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within (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 this well back in service then it needs to be either plugged or properly temporarily abandoned.

Our records show no production or injection on the following list of wells atleast as far back as 1994. Please forward to the NMOCD office in Artesia by September 15, 1997 a plan to bring these wells into compliance with Rule 201.

Yours truly,

Im W. Gen

Tim Gum

#### East Henshaw Unit

Tract 24-1 ut, O sec.2-16-30 Tract 10-4 ut, I sec.2-16-30 Tract 15-6 ut, O sec.2-16-30 Tract 9-7 ut, J sec.2-16-30

# New Mexico ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON Governor

JENNIFER SALISBURY Cabinet Secretary

1-23-98

Mr. Allen Hodge Salado Operating L.L.C. P.O.Box 1925 Hobbs, NM. 88241

Re: Shut in wells.

Dear Allen;

For your convenience a copy of my first letter in regard to your shut in wells is enclosed. Because there was no response from you on this matter Ray Smith contacted you by phone October 7,1997 and you assured him you would send us your plan to address this problem. Because there has been no response from you , I have instructed Ray to ask our legal department in Santa Fe to schedule a hearing so you may appear and show cause why these wells should not be plugged.

Yours truly,

Tim Gum

2970 5 / 1650 E - 2 - 16.30 Salado Operating L.L.C. East Henshaw Ut Tr. 15 # 6

Before

- 1. Run + set (IBPD 2890' w/35' cement, or Run tubing to 2890'
  Set 25 sx cement Plug 2890'-2790' TAG
  - 2. Circulate brine gel.
  - 3. Perforate 2 28" casing 2 1510'
  - 4. Run packer. Squeeze cement 100' coment Plug inside + outside 2% "caring. TAG
  - 5. Set tubing 2 500.

    Circulate cement to sufface.
    - 6. Cut + level all surface pits,

      Cut dead men, clear junk from location,

      Erect dry hole marker.

= Perfs. 2 90-95'

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Temp. Survey Toc 2020' 500' to surface. 29705/1650 E - 2-16.30 Salado Operating L.L.C. East Henshaw Ut Tr. 15 #6

After

- of Run tubing to 2890' w/35 cement.

  Set 25 sx cement Plus 2890'- 2790. TAG
- 2. Circulate brine gel.
- 3. Perforate 2 % caring 2 1510'
- 4. Run packer. Squeeze cement 100' coment Plug inside + outside 278" caring. TAG
- 5. Set tubing 2 500: Circulate cement to surface.
- 6. Cut + level all surface pits,
  Cut dead men, clear junk from location,
  Erect dry hole marker.

-9/11, Perfs. 2 90-95'

2 1/8" CASING

ret 2 3009!

micd w/250sx 1" from 500' to surface.

emp. Survey Toc 020' 500' to surface. 30 015 03821

PRINCIPAL: SALADO OPERATING LLC /49084

SURETY: UNDERWRITERS INDEMNITY CO.

BOND NO.: BO 5544

TYPE: \$5,000 ONE-WELL IDN 248084

APPROVED: OCTOBER 19, 1995

CANCELLED:

WELL LOCATION: 3654' FNL AND 330' FEL OF SEC. 2, T-16-S, R-30-E, EDDY COUNTY

October 19, 1995

Salado Operating, LLC PO Box 1925 Hobbs, NM 88241

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dr/

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Director

dr/

cc: Oil Conservation Division Artesia, New Mexico

Underwriters Indemnity Co.

# State of New Mexico Energy, Minerals & Natural Resources Departm

Form C-104 Revised February 10, 1934 Instructions on back Submit to Appropriate District Office

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District I PO Box 1980, Hobbs, NM 7-241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-104 Revised February 10, 1994 Instructions on back

District II 20 Drawer DD, Artenia, NM 88211-0719

Submit to Appropriate District Office
5 Copies

District III

OIL CONSERVATION DIVISION PO Box 2088

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ALK ERICKSEN

# STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

# OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON

Dear Sir;

JENNIFER SALISBUR'S
CABINET SECRETARY

7-31-97 Salado Operating L.L.C. P.O.Box 1925 Hobbs, NM.88241

Re; Properly Abandoned Wells; Salado Operating East Henshaw Unit

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Iam W. Geen

Tim Gum

East Henshaw Unit

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Tract 10-4 ut, 1 sec.2-16-30

Tract 15-6 ut, 0 sec.2-16-30

Tract 9-7 ut, J sec.2-16-30

Tract 9-7 ut, J sec.2-16-30

#### New Mexico

### ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON Governor JENNIFER SALISBURY
Cabinet Secretary

1-23-98

Mr. Allen Hodge Salado Operating L.L.C. P.O.Box 1925 Hobbs,NM. 88241

Re: Shut in wells.

Dear Allen;

For your convenience a copy of my first letter in regard to your shut in wells is enclosed. Because there was no response from you on this matter Ray Smith contacted you by phone October 7,1997 and you assured him you would send us your plan to address this problem. Because there has been no response from you , I have instructed Ray to ask our legal department in Santa Fe to schedule a hearing so you may appear and show cause why these wells should not be plugged.

Yours truly,

Im W. Sum

mb - /ens) =10\_:293

. .-- 22212

#### New Mexico

#### ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON Governor

JENNIFER SALISBURY Cabinet Secretary

1-2-98

Rand Carroll, Legal Bureau Oil Conservation Diviaion 2040 So. Pacheco Street Santa Fe, NM. 87505

Re; Well Plugging; Salado Operating L.L.C, P.O.Box 1925 Hobbs, NM. 88241

Dear Rand;

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

Yours truly,

Ray /Smith

# Salado Operating L.L.C. East Henshaw Unit

Tract 24- 1 Sec. 2-16-30 Ut. 0
Tract 10- 4 Sec. 2-16-30 Ut. I
Tract 15- 6 Sec. 2-16-30 Ut. 0
Tract 9- 7 Sec. 2-16-30 Ut. J

CMD : OG6CBBD

ONGARD CAPTURE BLANKET BONDS 08/30/99 15:49:35

OGOMCS -TPEZ

OGRID Identifier

: 11830 Bond Idn : 10245 Bond Status : A

Operator Name, Address : J & G ENTERPRISE LTD. CO.

PO BOX 100

ARTESIA, NM 88210

Bond Details - Type (Cash/Surety - C/S) : C Bond Co Idn : 13 Amount : 50000

Company OGRID Identifier: 26396

Company Name, Address : WESTERN BANK OF ARTESIA

P O DRAWER 500 ARTESIA, NM 88210

Limited as to future Liability (Y/N) : N If Limited, End Date :

Effective Date: 01-01-1900

Cancellation Date : 05-13-1998

Issuer Bond No : OCD-277

E7024: Only view is allowed

PF01 HELP PF02 PF03 EXIT

PF04 GoTo PF05

PF06 CONFIRM

PF07

PF08

PF09 COMMENT PF10 NXTBOND PF11

PF12

Date: 8/30/1999 Time: 04:05:59 PM

30.015-03821 3654'N/330'E-2.16.30 Salado Operating L.L.C. East Henshaw UT Tr. 10 #4

Before

1. Run + set (IBP D 2891' 0/35' cement.

or Run tobing to 2891'

Set 25 sx cement D 2891'- 2791'. TAG

n" casing a set 2 110!

- 2. Circulate brine gel.
  - 3. Perforate 2 1/2" casing 2 1520!
  - 4. Run packer. Squeege cement 100' cement Plug inside + outside 2% "casing. TAG
  - 5 Perforate 2 1/3" casing D 500'
  - 6. Circulate cement to surface

    Inside + outside 2% casing.

    Pull tubing + Top off cement to surface.
    - 8. Cut + level all surface pits
      cut dead men, Clear location of junk.
      Erect dry hole marker.

61/4" hole | Perfs 2991-3001!

27/8" casing
set 2 3147'
control w/2005X
Temp. Survey Toc
2070'

03821 3654'N/330'E-2-16-30 Salado Operating L.L.C. East Henshaw Ut Tr. 10 #4

1. Run + set (IBP 2 2891 0/35 cement. or Run tubing To 2891. Sct 25 sx cement & 2891: 2791: TAG

2. Circulate brine gel.

3. Perforate 27/2" casing 2 1520:

4. Run packer. Squeege coment 100'cement Plus inside + outside 2% "casing. TAG

5 Perforate 2 % " casing D 500'

6. Circulate cement To surface Inside + outside 2 % casing. Pull tubing + Top off cement to surface.

8. Cut + level all suiface pits Cut dead men, Clear location of junk. Erect dry hole marker.

Perfs 2991-3001 %" casing

After

set 2 110!

2 3147. 1 ~/2005X P. Survey Toc 30 013 0000

PRINCIPAL: SALADO OPERATING LLC 149084

SURETY: UNDERWRITERS INDEMNITY CO.

BOND NO.: BO 5545

TYPE: \$5,000 ONE-WELL 10N 248083

APPROVED: 0CT0BER 19, 1995

CANCELLED:

WELL LOCATION: 1980' FSL AND 660' FEL OF SEC. 2, T-16-S, R-30-E, EDDY COUNTY

October 19, 1995

Salado Operating, LLC PO Box 1925 Hobbs, NM 88241

Attention: Allen Hodge

Re: \$5,000 One-Well Plugging Bond

Salado Operating, LLC

Underwriters Indemnity Co., Surety 1980' FSL and 660' FEL of Sec. 2, T-16-S, R-30-E, Eddy County

Bond No. BO 5545

Dear Mr. Hodge:

The Oil Conservation Division hereby approves the above-referenced one-well plugging bond.

Sincerely,

WILLIAM J. LEMAY,

Director

dr/

cc: Oil Conservation Division Artesia, New Mexico

Underwriters Indemnity Co.

October 19, 1995

Salado Operating, LLC PO Box 1925 Hobbs, NM 88241

Attention: Allen Hodge

Re: \$5,000 One-Well Plugging Bond

Salado Operating, LLC

Underwriters Indemnity Co., Surety 1980' FSL and 660' FEL of Sec. 2, T-16-S, R-30-E, Eddy County

Bond No. BO 5545

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Sincerely,

WILLIAM J. LEMAY, Director

dr/

cc: Oil Conservation Division Artesia, New Mexico

Underwriters Indemnity Co.

# District I PO Box 1980, Hobbs, NM \$2241-1980 District II PO Drawer DD, Artesia, NM \$2211-0719

# State of New Mexico

Form C-104
Revised February 10, 1994
Instructions on back

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JIL CONSERVATION DIVISION PO Box 2088

	Instructions on back
Submit to Appro	priate District Office
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Page: 1 Document Name: untitled

CMD :

ONGARD

08/30/99 15:49:35

PF06 CONFIRM

PF12

OG6CBBD

CAPTURE BLANKET BONDS

OGOMCS -TPEZ

OGRID Identifier

: 11830 Bond Idn : 10245 Bond Status : A

Operator Name, Address : J & G ENTERPRISE LTD. CO.

PO BOX 100

ARTESIA, NM 88210

Bond Details - Type (Cash/Surety - C/S) : C Bond Co Idn : 13 Amount : 50000

Company OGRID Identifier: 26396

: WESTERN BANK OF ARTESIA

Company Name, Address

P O DRAWER 500

ARTESIA, NM 88210

Limited as to future Liability (Y/N) : N If Limited, End Date :

Effective Date: 01-01-1900

Cancellation Date : 05-13-1998

Issuer Bond No : OCD-277

E7024: Only view is allowed

PF01 HELP PF02

PF03 EXIT PF04 GoTo PF05

PF09 COMMENT PF10 NXTBOND PF11 PF07 PF08

Date: 8/30/1999 Time: 04:03:32 PM

# STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

# OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON

JENNIFER SALISBURT

CABINET SECRETARY

7-31-97 Salado Operating L.L.C. P.O.Box 1925 Hobbs, NM.88241

Re; Properly Abandoned Wells; Salado Operating East Henshaw Unit

Dear Sir;

The State of New Mexico is in the process at this time of reviewing leases to determin the number of abandoned and shut in 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 therof.

Rule 201 B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within (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 this well back in service then it needs to be either plugged or properly temporarily abandoned.

Our records show no production or injection on the following list of wells atleast as far back as 1994. Please forward to the NMOCD office in Artesia by September 15, 1997 a plan to bring these wells into compliance with Rule 201.

Yours truly,

Im W. Gem

Tim Gum

East Henshaw Unit

Tract 24-1 ut, 0 sec.2-16-30 Tract 10-4 ut, I sec.2-16-30 Tract 15-6 ut, 0 sec.2-16-30 Tract 9-7 ut, J sec.2-16-30

New Mexico

### ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON Governor JENNIFER SALISBURY Cabinet Secretary

1-23-98

Mr. Allen Hodge Salado Operating L.L.C. P.O.Box 1925 Hobbs, NM. 88241

Re: Shut in wells.

Dear Allen;

For your convenience a copy of my first letter in regard to your shut in wells is enclosed. Because there was no response from you on this matter Ray Smith contacted you by phone October 7,1997 and you assured him you would send us your plan to address this problem. Because there has been no response from you , I have instructed Ray to ask our legal department in Santa Fe to schedule a hearing so you may appear and show cause why these wells should not be plugged.

Yours truly,

In W. Sum

New Mexico

#### ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON Governor

JENNIFER SALISBURY Cabinet Secretary

1-2-98

Rand Carroll, Legal Bureau Oil Conservation Diviaion 2040 So. Pacheco Street Santa Fe, NM. 87505

Re; Well Plugging; Salado Operating L.L.C, P.O.Box 1925 Hobbs, NM. 88241

Dear Rand;

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

Yours truly,

Ray 1Smith



## Salado Operating L.L.C. East Henshaw Unit

Tract 9- 7 Sec. 2-16-30 Ut. J	Tract	10-	4 6	Sec. Sec.	2-16-30 2-16-30 2-16-30 2-16-30	Ut.	0
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30-015-03825 1980'5/660'E-2-16-30 Salado Op. LL.C. E. Henshaw Ut. Tr. 24 #1

Before

1. Run + ScT (IBP w/35 'cement D 2921'
or Run tubing to 2921'

Set 255x coment Plug 2921: 7821. TAG

- 2. Circulate brine gel.
- 3. Perforate 2% casing D 1537.
- 4. Run Packer + Squeege 100' cement Plug inside + outside 21/8" casing. TAG
- 5. Set tubing 2 sod.

  Circulate cement to surface.

  Pull tubing + top off rement to sulface.
- 6. Cut a level all sustain pits, cut deadmen, Clear location of junk. Perfs 3021-28: Erect dry hole marker.

7% "hole

2% "csq sct D 3075' Cated w/2505x 1"500'to surface. Temp. survey Toc 1825' 500'to surface. 30.015.03825 1980's / 660' E - 2.16.30 Salado Op. LL.C. E. Henshaw Ut. Tr. Z4. #1

After

1. Bun + ScT (IBP w/35 'cement D 2921'

or Bun tubing to 2921'

Set 255x coment Plug 2921: 2821: TAG

- 2. Circulate brine gel.
- 3. Perforate 2 1/8" casing > 1537!
- 4. Run Packer + Squeeze
  100' cement Plug inside + outside
  27/8" casing. TAG
- 5. Set tubing 2 sod; Circulate cement to surface. Pull tubing + top off cement to surface.
- 6. Cut a level all surface pits, cut deadmen, Clear Joration of junk. Erect dry hole marker.

7% "hole

2% "csq sct 2 3075" Cated w/2505x 1" soo to sorface Temp. survey Toc 1825' 500 to surface. Actiles 392-9545 Allen Holge P Box 15/6 Values 5 F 24/- 15/6

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30015 03824

PRINCIPAL:

SALADO OPERATING LLC 149084

SURETY:

UNDERWRITERS INDEMNITY CO.

BOND NO.:

BO 5546

TYPE:

\$5,000 ONE-WELL

10N248086

APPROVED:

OCTOBER 19, 1995

CANCELLED:

WELL LOCATION:

3654' FNL AND 1650' FEL OF SEC. 2, T-16-S, R-30-E, EDDY COUNTY

October 19, 1995

Salado Operating, LLC PO Box 1925 Hobbs, NM 88241

Attention: Allen Hodge

Re: \$5,000 One-Well Plugging Bond

Salado Operating, LLC

Underwriters Indemnity Co., Surety 3654.5' FNL and 1650' FEL of Sec. 2,

T-16-S, R-30-E, Eddy County

Bond No. BO 5546

Dear Mr. Hodge:

The Oil Conservation Division hereby approves the above-referenced one-well plugging bond.

Sincerely,

WILLIAM J( LEMAY,

Director

dr/

cc: Oil Conservation Division Artesia, New Mexico

Underwriters Indemnity Co.

October 19, 1995

Salado Operating, LLC PO Box 1925 Hobbs, NM 88241

Attention: Allen Hodge

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Salado Operating, LLC

Underwriters Indemnity Co., Surety 3654.5' FNL and 1650' FEL of Sec. 2,

T-16-S, R-30-E, Eddy County

Bond No. BO 5546

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Sincerely,

WILLIAM J( LEMAY,

Director

dr/

cc: Oil Conservation Division Artesia, New Mexico

Underwriters Indemnity Co.

District I PO Box 1980, Hobbs, NM 88241-1980 District iI

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

10 Drawer DD, Artesia, NM \$2211-0719 OIL CONSERVATION DIVISION

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## OIL CONSERVATION DIVISION

Instructions on back
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## New Mexico ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

JARY E. JOHNSON Sovermor

JENNIFER SALISBURY Cabinet Secretar,

1-23-98

Mr. Allen Hodge Salado Operating L.L.C. P.O.Box 1925 Hobbs,NM. 88241

Re: Shut in wells.

Dear Allen;

For your convenience a copy of my first letter in regard to your shut in wells is enclosed. Because there was no response from you on this matter Ray Smith contacted you by phone October 7,1997 and you assured him you would send us your plan to address this problem. Because there has been no response from you , I have instructed Ray to ask our legal department in Santa Fe to schedule a hearing so you may appear and show cause why these wells should not be plugged.

Yours truly,

Tim Cum

#### New Mexico

#### ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON Governor

JENNIFER SALISBURY Cabinet Secretary

1-2-98

Rand Carroll, Legal Bureau Oil Conservation Diviaion 2040 So. Pacheco Street Santa Fe, NM. 87505

Re; Well Plugging; Salado Operating L.L.C, P.O.Box 1925 Hobbs, NM. 88241

Dear Rand;

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

Yours truly,

Ray Smith

### Salado Operating L.L.C. East Henshaw Unit

Tract 24- 1 Sec. 2-16-30 Ut. O
Tract 10- 4 Sec. 2-16-30 Ut. I
Tract 15- 6 Sec. 2-16-30 Ut. O
Tract 9- 7 Sec. 2-16-30 Ut. J

## STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

## OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON

JENNIFER SALISBUR
CABINET SECRETARY

7-31-97 Salado Operating L.L.C. P.O.Box 1925 Hobbs, NM.88241

Re; Properly Abandoned Wells; Salado Operating East Henshaw Unit Dear Sir:

The State of New Mexico is in the process at this time of reviewing leases to determin the number of abandoned and shut in 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 therof.

Rule 201 B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within (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 this well back in service then it needs to be either plugged or properly temporarily abandoned.

Our records show no production or injection on the following list of wells atleast as far back as 1994. Please forward to the NMOCD office in Artesia by September 15, 1997 a plan to bring these wells into compliance with Rule 201.

Yours truly,

Jan W. Gen

Tim Gum

## East Henshaw Unit

Tract 24-1 ut, O sec.2-16-30 Tract 10-4 ut, I sec.2-16-30 Tract 15-6 ut, O sec.2-16-30 Tract 9-7 ut, J sec.2-16-30 30-015-03824 3654'N/1650E-2-16-30 Salado OP. L.L.C. E. Henshaw Ut Tr. 9 #7

Before

1. Run & set CIBP w / 35' coment D 2862'.

or Run tubing to 2862'

Set 25 sx cement Plug D 2862'. 2762'. TAG

- 2. Circulate brine gel.
- 3. Perforate 2% "casing D 1500".
- 4. Run in hole with packer.

  Squeeze 100' cement Plug inside + outside 2% "csg. TAL
- 5. Set tubing D 500.

  Circulate cement to suitace.

  Pull tubing and Top off cement to suitace.
- 6. Erect dry hole marker, cut dead men cut + level all pits, cut dead men + clear location of junk.

+ Perfs - 2962:72'

7% "hole

2% "casing

sct 23005'

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"from soo' to suiface.

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30.015.03824 3654'N/1650E-2-16.30 Salado OP. L.L.C. E. Henshaw Ut Tr. 9 #7

After

- 1. Run + set CIBP w / 35 ' comenT 2 2862'.

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- 5. Set Tubing D 500: Circulate cement to suitare. Pull tubing and Top off cement To suitare.
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Perfs - 2962:72'

7% "hole

2% "casing

sct 23005"

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""from soo' to suiface.

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CMD: ONGARD 08/30/99 15:49:35

OG6CBBD CAPTURE BLANKET BONDS OGOMCS -TPEZ

OGRID Identifier : 11830 Bond Idn : 10245 Bond Status : A

Operator Name, Address : J & G ENTERPRISE LTD. CO.

PO BOX 100

ARTESIA, NM 88210

Bond Details - Type (Cash/Surety - C/S) : C Bond Co Idn : 13 Amount : 50000

Company OGRID Identifier: 26396

Company Name, Address : WESTERN BANK OF ARTESIA

P O DRAWER 500 ARTESIA,NM 88210

Limited as to future Liability (Y/N) : N If Limited, End Date :

Effective Date: 01-01-1900 Cancellation Date: 05-13-1998

Issuer Bond No : OCD-277

E7024: Only view is allowed

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM

PF07 PF08 PF09 COMMENT PF10 NXTBOND PF11 PF12

Date: 8/30/1999 Time: 04:05:26 PM