



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

GARY JOHNSON
GOVERNOR

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY
CABINET SECRETARY

September 6, 1995

Mr. Duane Tessier
Total Menatome Corp.
P.O. Box 4326
Houston, TX 77210-4326

Re: Powell #1, Chaves County, New Mexico

Dear Duane:

I know it was somewhat of a surprise to learn you owned a well out in Chaves County New Mexico and that the well needed to be plugged.

I just wanted to let you know how much the state of New Mexico and I appreciate the promptness in which you responded to this problem. This says a lot for you and your company.

Yours Truly

A handwritten signature in black ink that reads "Ray Smith". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ray Smith
Field Rep II

cc: Tim Gum
Rand Carroli



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE



ANITA LOCKWOOD
CABINET SECRETARY

BRUCE KING
GOVERNOR

July 20, 1994

Phoenix Resources Co.
6525 North Meridian
Okla City, OK 73116

Re: Powell #1 Unit Ltr. C
Section 23, T-7S, R-28E
Chaves County, New Mex.

Gentlemen,

You filed OCD Form C-103 on this well in 1987 indicating your intentions to plug the subject well. According to our records the well remains unplugged.

Please let us hear from you by August 15, 1994 concerning your plans for beginning plugging operations.

Copies of Oil Conservation Division rules 201, 202 and 203 regarding plugging are attached for your information.

Very Truly Yours,

Ray Smith
Oil & Gas Inspector

RS:br

D - ABANDONMENT AND PLUGGING OF WELLS

RULE 201. - WELLS TO BE PROPERLY ABANDONED

(as of 3-1-91)

A. 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.

B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within ninety (90) days after:

- (1) A sixty (60) day period following suspension of drilling operations, or
- (2) A determination that a well is no longer usable for beneficial purposes, or
- (3) A period of one (1) year in which a well has been continuously inactive.

RULE 202. - PLUGGING AND PERMANENT ABANDONMENT

(as of 3-1-91)

A. NOTICE OF PLUGGING

(1) Notice of intention to plug must be filed with the Division on Form C-103, Sundry Notices and Reports on Wells, by the operator prior to the commencement of plugging operations, which notice must provide all of the information required by Rule 1103 including operator and well identification and proposed procedures for plugging said well, and in addition the operator shall provide a well-bore diagram showing the proposed plugging procedure. Twenty-four hours notice shall be given prior to commencing any plugging operations. In the case of a newly drilled dry hole, the operator may obtain verbal approval from the appropriate District Supervisor or his representative of the method of plugging and time operations are to begin. Written notice in accordance with this rule shall be filed with the Division ten (10) days after such verbal approval has been given.

B. PLUGGING

(1) Before any well is abandoned, it shall be plugged in a manner which will permanently confine all oil, gas and water in the separate strata in which they are originally found. This may be accomplished by using mud-laden fluid, cement and plugs singly or in combination as approved by the Division on the notice of intention to plug.

(2) The operator shall mark the exact location of plugged and abandoned wells with a steel marker not less than four inches (4") in diameter set in cement and extending a least four feet (4') above mean ground level. The operator name, lease name and well number and location, including unit letter, section, township and range, shall be welded, stamped or otherwise permanently engraved into the metal of the marker.

(3) As soon as practical but no later than one year after the completion of plugging operations, the operator shall:

- (a) fill all pits;
- (b) level the location;
- (c) remove deadmen and all other junk; and
- (d) take such other measures as are necessary or required by the Division to restore the location to a safe and clean condition.

(4) Upon completion of plugging and clean up restoration operations as required, the operator shall contact the appropriate district office to arrange for an inspection of the well and location.

C. Reports

(1) The operator shall file Form C-105, Well Completion or Recompletion Report and Log as provided in Rule 1105.

(2) Within thirty (30) days after completing all required restoration work, the operator shall file with the Division, in TRIPLICATE, a record of the work done on Form C-103 as provided in Rule 1103.

(3) The Division shall not approve the record of plugging or release any bonds until all necessary reports have been file and the location has been inspected and approved by the Division.

RULE 203. - TEMPORARY ABANDONMENT

(as of 3-1-91)

A. WELLS WHICH MAY BE TEMPORARILY ABANDONED

(1) The Division may permit any well which is required to be properly abandoned under these rules but which has potential for future beneficial use for enhanced recovery or injection, and any other well for which an operator requests temporary abandonment, to be temporarily abandoned for a period of up to five (5) years. Prior to the expiration of any approved temporary abandonment the operator shall return the well to beneficial use under a plan approved by the Division, permanently plug and abandon said well or apply for a new approval to temporarily abandon the well.

B. REQUEST FOR APPROVAL AND PERMIT

(1) Any operator seeking approval for temporary abandonment shall submit on Form C-103, Sundry Notices and Reports on Wells, a notice of intent to temporarily abandon the well describing the proposed temporary abandonment procedure to be used. No work shall be commenced until approved by the Division and the operator shall give 24 hours notice to the appropriate District office of the Division before work actually begins.

(2) No temporary abandonment shall be approved unless evidence is furnished to show that the casing of such well is mechanically sound and in such condition as to prevent:

- (a) damage to the producing zone;
- (b) migration of hydrocarbons or water;
- (c) the contamination of fresh water or other natural resources; and
- (d) the leakage of any substance at the surface.

(3) If the well fails the mechanical integrity test required herein, the well shall be plugged and abandoned in accordance with these rules or the casing problem corrected and the casing retested within ninety (90) days.

(4) Upon successful completion of the work on the temporarily abandoned well, the operator will submit a request for Temporary Abandonment to the appropriate district office on Form C-103 together with such other information as is required by Rule 1103 E.(1).

(5) The Division may require the operator to post with the Division a one-well plugging bond for the well in an amount to be determined by the Division to be satisfactory to meet the particular requirements of the well.

(6) The Division shall specify the expiration date of the permit, which shall be not more than five (5) years from the date of approval.

C. TESTS REQUIRED

(1) The following methods of demonstrating casing integrity may be approved for temporarily abandoning a well:

- (a) A cast iron bridge plug will be set within one hundred (100) feet of uppermost perforations or production casing shoe and the casing loaded with inert fluid and pressure tested to 500 pounds per square inch with a pressure drop of not more than 10% for thirty (30) minutes; or
- (b) A retrievable bridge plug or packer will be run to within one hundred (100) feet of uppermost perforations or production casing shoe and the well tested to 500 pounds per square inch for thirty minutes with a pressure drop of not greater than 10% for thirty (30) minutes; or
- (c) For a gas well in southeast New Mexico completed above the San Andres formation, if the operator can demonstrate that the fluid level is below the base of the salt and that a Bradenhead test shows no casing leaks, the Division may exempt the well from the requirement for a bridge plug or packer; or
- (d) a casing inspection log confirming the mechanical integrity of the production casing may be submitted.

(2) Any such test which is submitted must have been conducted within the previous twelve (12) months.

(3) The Division may approve other casing tests submitted on Form C-103 on an individual basis.

RULE 204. - WELLS TO BE USED FOR FRESH WATER

(as of 3-1-91)

A. When a well to be plugged may safely be used as a fresh water well and the landowner agrees to take over said well for such purpose, the well need not be plugged above the sealing plug set below the fresh water formation.

B. The operator must comply with all other requirements contained in Rule 202 regarding plugging, including surface restoration and reporting requirements.

C. Upon completion of plugging operations, the operator must file with the Division a written agreement signed by the landowner whereby the landowner agrees to assume responsibility for such well. Upon the filing of this agreement and approval by the Division of well abandonment operations, the operator shall no longer be responsible for such well, and any bonds thereon may be released.

TOTAL

TOTAL MINATOME CORPORATION

July 7, 1995

Mr. Rand Carroll
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Carroll:

Re: Cause No. 11229
Powell #1
Chaves County, New Mexico

This is to confirm our telephone conversation today stating that TOTAL may postpone plugging and abandoning the subject well until it may be plugged in connection with the wells being plugged by the State of New Mexico or until notified by your office, whichever is sooner.

Thank you for your help in this matter.

Cordially,


Annette J. Mitchell

/m

cc: Mr. Ray Smith
Mr. Doug Burgess
Mr. Jean-Louis Geyelin
Ms. Deborah Gilchrist
Ms. Liz Dunn



TOTAL

TOTAL MINATOME CORPORATION

TELECOPY

TO: Land Carroll

COMPANY: Energy Minerals & Nat. Resources

FAX NO.: Dept. (505) ~~557-5577~~
473-7542

FROM: Annette Mitchell

DATE: 4/7/95

COMMENTS: _____

NUMBER OF PAGES: 2 (INCLUDING COVER PAGE)

IF THERE ARE ANY PROBLEMS RECEIVING THIS TELECOPY,
PLEASE CONTACT PATRICIA KLINCHUK AT (713) 739-3119.

RETURN FAX (713) 739-3424.

pakFAX FORM



TOTAL

TOTAL MINATOMI CORPORATION

April 7, 1995

Mr. Rand Carroll
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505
(FAX: (505) 827-8177)

Dear Mr. Carroll:

Re: Case No. 11229
Powell #1
Chaves County, New Mexico

Per our telephone conversation on April 6, 1995, this is to confirm that our company will meet its obligation to plug and abandon the subject well.

As indicated in the April 5, 1995 conversation between Ray Smith in your offices and Duane Tessier with Total Minatome Corporation, we are currently gathering the well data and contacting various service companies in order to get a cost estimate for plugging this well.

We, therefore, at your suggestion, hereby request a continuance of the hearing now scheduled for April 10, 1995 until May 4, 1995.

Cordially,


Annette J. Mitchell

AJM/pak
cc: Mr. Ray Smith
(Fax #505-748-9720)
Doug Burgess
Jean-Louis Geyelin
Deborah Gilchrist



TOTAL

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TOTAL

Post-It [®] Fax Note	7671	Date	7-7-95	# of pages	1
To	Rand Carroll		From	Annette Mitchell	
Co./Dept.			Co.	Total	
Phone #			Phone #		
Fax #	505-827-8177		Fax #		

TOTAL MINATOME CORPORATION

July 7, 1995

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 Energy, Minerals and Natural Resources Department
 Oil Conservation Division
 2040 S. Pacheco
 Santa Fe, New Mexico 87505

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- cc: Mr. Ray Smith
- Mr. Doug Burgess
- Mr. Jean-Louis Geyelin
- Ms. Deborah Gilchrist
- Ms. Liz Dunn



TOTAL

TOTAL MINATOME CORPORATION

Faxed: (505) 827-8177

May 3, 1995

Mr. Rand Carroll
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Carroll:

Re: Cause No. 11229
Powell #1
Chaves County, New Mexico

This is to confirm our telephone conversation today re-scheduling the May 4, 1995 hearing on the plugging and abandoning of the subject well until the next scheduled hearing date after July 3, 1995 i.e. July 6, 1995 or July 13, 1995.

Thank you for your help in this matter.

Cordially,


Annette J. Mitchell

AJM/pak

CC: Ray Smith (Fax #505-748-9720)
Doug Burgess
Jean-Louis Geyelin
Deborah Gilchrist
Liz Dunn



TOTAL

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Faxed: (505) 827-8177

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Deborah Gilchrist
Liz Dunn



TOTAL

TOTAL MINATOME CORPORATION

TELECOPY

TO: Rand Currell

COMPANY: Energy Minerals & Nat. Resources

FAX NO.: (505) 827-8177

FROM: Annette Mitchell

DATE: 5/3/95

COMMENTS: cc/ Ray Smith (505-748-9720)

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TOTAL

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TOTAL MINATOME CORPORATION

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