

Federal Building
701 Camino del Rio
Durango, Colorado 81301

303-247-5114

September 13, 1978

CERTIFIED MAIL R
RETURN RECEIPT REQUESTED

Edmonds & Peters
Oil and Gas Properties
8669 East Seventh Street
Downey, CA 90241

Gentlemen:

Our records indicate that Marion B. Edmonds and O. A. Peters, records lessees of terminated lease NM-797, drilled the No. 1 Edmonds and Peters well, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 3, T. 15 N., R. 33 E., Harding County, New Mexico, on subject lease.

By letter of April 12, 1973, we replied to your request of April 7, 1973, for an acceptable plugging program. On October 10, 1974, we sent you a certified letter regarding plugging of the well and filing of delinquent reports. On March 8, 1976, we requested immediate plugging of the well and advised that failure to do so would result in transfer of liability to your bonding company. On June 23, 1978, we advised your bonding company of non-compliance with Federal Regulations and terms of the lease. Order No. R-5719 of the New Mexico Oil Conservation Division ordered the well to be plugged or put on production. To our knowledge, you have taken no action on this well in response to the above requests.

You are hereby allowed 30 days from the date of this letter to file "Intent to Abandon" plug the well, file five copies of Subsequent Report of Abandonment, file four copies of Completion Report (form 9-330) and restore the surface to the satisfaction of the surface owner. A plugging program acceptable to both U.S.G.S. and the State of New Mexico would be as follows:

1. Heavy mud between all plugs.
2. Cement plug from 700' to total depth of 807'.
3. Cement plug from 175' to 225'.
4. 10 sack cement plug at surface with regulation marker.

Failure to comply with the above requests will result in contract plugging of the well with transfer of liability of the plugging expenses to your bonding company. The New Mexico Oil Conservation Division has advised me that contract plugging of wells in this area cost about \$7500 for individual wells.

Sincerely yours,

(Orig. Sgd.) J. W. LONG

Jerry W. Long
District Engineer