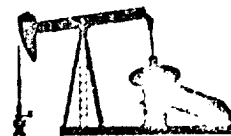


OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501



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April 22, 1977

*Well File
N-4-15N-33E*

Mr. W. Z. Holden
Conley & Associates, Inc.
9402 Tierra Blanca Drive
Whittier, California 90603

Dear Mr. Holden:

The Conley well-sites on the Cain Ranch in Harding County have been inspected. Of these, two were found to be in unacceptable condition for reasons as follows: Arthur Cain Well No. 2; K-10-15N-33E: Marker on location simply lying on the ground. Furthermore, we have received no Form C-105 for Well No. 2 nor logs thereof. Blank copies of the Form C-105 are enclosed for your convenience.

Arthur Cain Well No. 3; N-4-15N-33E: No marker erected and none in evidence at site. Casing open at surface with fluid standing therein. All of the required forms (C-103 and C-105) have been received for this well, however it is obvious that conditions at the site do not correspond with those reported by the Form C-103 submitted as a final report - dated 8/21/76. You will note that this report was originally received here on 8/23/76 and a copy returned to your office for various corrections along with a cover letter dated 8/25/76. It is apparent that something is wrong at this location. If the top plug (from 22' to surface) was placed as described, it would now be impossible for the casing to be open at the surface and with fluid (apparently foul water) standing within - unless the cement had been drilled out, of course. There is no evidence that such has been done, however.

The remaining three locations appear to be in proper condition with one exception, as follows:

State Well No. 1; D-21-15N-33E: Well site itself acceptable, but no corrected and updated Form C-103 was received as requested by a marked copy of the "Subsequent Report of Plug and Abandonment" dated 8/24/76 (but received in this office

-2-

on 8/23/76!!) together with a cover letter dated 8/25/76.
Enclosed are blank Forms C-103 for your convenience in completing
this well file.

Approved final reports (Forms C-103) are enclosed for
the following locations:

State Well No. 1-X (formerly #1-A); 735' FWL and 640'
FSL and State Olympic Well #1 (formerly #1-X); 660' FWL and 660'
FSL both in Unit M-27-16N-33E. Thus our files are being closed
on these two wells just as was done (2/23/77) for the Arthur
Cain Well No. 1.

Hopefully, the foregoing will bring you up-to-date on
all of the Conley operations in Harding County, and will
indicate what actions are needed before your Bond No. 606B1609
can be cancelled.

Yours truly,

Carl Ulvog

CARL ULVOG
Supervisor, District IV

CU/og
Enc.