

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

**ORIGINAL
INVOICE**

July 29, 2004

1 of 2

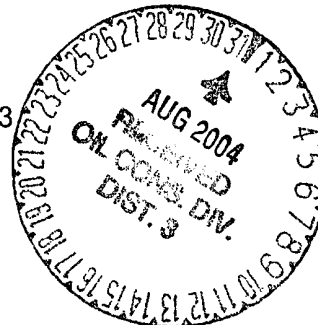
New Mexico Oil Conservation Division**Aztec District**

1000 Rio Brazos Road
Aztec, NM 87410

Invoice #3400
PO #04-199-000613

Rig #9

Horseshoe Gallup #11 Well
API #30-045-10328

**Plugging Cost Summary:**

ID#	Date	Item Description	Units	Unit Cost	Extension
Workover Rig, Travel and Supervision:					
A1	7/26/04	Contractors Supervisor / Cementer		\$ 250.00	N/C
A1	7/27/04	Contractors Supervisor / Cementer	1.0	\$ 250.00	\$ 250.00
A1	7/28/04	Contractors Supervisor / Cementer	0.5	\$ 250.00	\$ 125.00
A2	7/26/04	Crew travel, one way	1.0	\$ 112.00	\$ 112.00
A2	7/27/04	Crew travel, round trip	2.0	\$ 112.00	\$ 224.00
A2	7/28/04	Crew travel, one way	1.0	\$ 112.00	\$ 112.00
A3	7/26/04	Shallow Rig	2.0	\$ 140.00	\$ 280.00
A3	7/27/04	Shallow Rig	10.25	\$ 140.00	\$ 1,435.00
A3	7/28/04	Shallow Rig	3.75	\$ 140.00	\$ 525.00
Cementing Services:					
B1	7/26/04	Cementing equipment on location		\$ 450.00	N/C
B1	7/27/04	Cementing equipment on location	1.0	\$ 450.00	\$ 450.00
B1	7/28/04	Cementing equipment on location	0.5	\$ 450.00	\$ 225.00
B3	7/27/04	Cement, 85 sxs Type III = 95.1 sxs Type II	95.1	\$ 10.50	\$ 998.55
B3	7/27/04	Cement, set marker, 10 sxs III = 11.2 sxs Type II	11.2	\$ 10.50	\$ 117.60
Wireline Services:					
C1	7/27/04	Wireline unit on location, used	1.0	\$ 250.00	\$ 250.00
C3	7/27/04	Perforate up to 3 squeeze holes at 152'	1.0	\$ 300.00	\$ 300.00
Packers, Retainers & Casing Scrapers:					
D3	7/27/04	Cement retainer, tubing set, 5-1/2"	1.0	\$ 900.00	\$ 900.00
D4	7/27/04	Casing scraper rental, 5-1/2"	1.0	\$ 250.00	\$ 250.00
Workstrings & Miscellaneous Rentals:					
E1.1	7/27/04	Workstring rental, 2-3/8", feet	1113	\$ 0.12	\$ 133.56
E6.3	7/27/04	Companion flange rental, 5-1/2"	1.0	\$ 50.00	\$ 50.00
E14	7/27/04	Waste fluid container, days used	2.0	\$ 30.00	\$ 60.00
					\$ 1.00

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**ORIGINAL
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July 29, 2004

New Mexico Oil Conservation Division

2 of 2

Aztec District

Invoice #3400

1000 Rio Brazos Road

PO #04-199-000613

Aztec, NM 87410

Rig #9

Horseshoe Gallup #11 Well

API #30-045-10328

Cost Summary Continued:**Transportation and Miscellaneous Services:**

F1.a	7/26/04	Unit #141, Haul workstring & float to location	1.0	\$74.00	\$	74.00
F1.b	7/27/04	Unit #141, Move workstring into position;	2.0	\$74.00	\$	148.00
F1.c	7/28/04	Unit #141, Hold workstring in position;	1.0	\$74.00	\$	74.00
F4	7/27/04	Float #98, rental, carry workstring;	2.0	\$15.00	\$	30.00
F1.d	7/28/04	Unit #19, Haul tubing from well to A+ yard;	1.00	\$50.00	\$	50.00
F3.e	8/4/04	Unit #24, Haul tubing from A+ yard to Cave and unload;	1.25	\$50.00	\$	62.50
F2.e	8/4/04	Helper for above	1.25	\$20.00	\$	25.00
F6.a	7/27/04	Unit #134, Haul 1 load of water to location	2.0	\$50.00	\$	100.00
F6.b	7/28/04	Unit #134, Haul 1 load of water to location	1.0	\$50.00	\$	50.00
F6.c	7/26/04	Unit #155, Haul waste fluid to location;		\$50.00		N/C
F6.d	7/27/04	Unit #155, Hold waste fluid, then unload	2.0	\$50.00	\$	100.00
F6.e	7/28/04	Unit #155, Receive waste fluid, then hold	1.0	\$50.00	\$	50.00
F7.a	8/2/04	Backhoe, Clean up location, remove trash & junk;	4.5	\$50.00	\$	225.00
F2.b	8/2/04	Helper for above	4.5	\$20.00	\$	90.00
F11	7/6/04	P&A Marker	1.0	\$	120.00	\$ 120.00

Third Party Charges:

None

Salvage Credit:

S1	2-3/8" Tubing, paraffin inside, 36 joints	1116	\$0.80	(\$892.80)
----	---	------	--------	-------------------

	TOTAL	\$	7,104.41
TAX	6.375%	\$	452.91
	Total Due	\$	7,557.32

CREDIT to Purchase Order # 04-199-0549**\$ (711.22)**

(From 7-14-04 letter to NMOCD, attached)

NET DUE \$ 6,846.10**THANK YOU**

OK for Payment
Charles Heri
9-1-04

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**
Sundry Notices and Reports on Wells

COPY

1. **Type of Well**
WIW

2. **Name of Operator**
Central Resources, Inc. c/o NMOCD Aztec District Office

3. **Address & Phone No. of Operator**
1000 Rio Brazos Road, Aztec, NM 87410 505-334-6178

4. **Location of Well, Footage, Sec., T, R, M**

1980' FSL and 660' FWL, Section 29, T-31-N, R-16-W,

5. **Lease Number**
BIA #14-20-603-734

6. **If Indian, All. or Tribe Name**
Navajo

7. **Unit Agreement Name**
Horseshoe Gallup Unit

8. **Well Name & Number**
HSGU #11

9. **API Well No.**
30-045-10328

10. **Field and Pool**
Horseshoe Gallup Unit

11. **County & State**
San Juan County, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment

Type of Action

☒ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☐ Other -

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut off

☐ Conversion to Injection

13. Describe Proposed or Completed Operations

A-Plus Well Service Plugged and Abandoned the above well NMSA 1978, Section 13-1-127, Purchase Agreement: 04-521-0700028; Purchase Document: 04-199-000613.

7/26/04 MOL. RU.

7/27/04 Relief line to steel pit. No well pressure. ND wellhead. Release packer. NU BOP with flange, test. TOH and LD 36 joints 2-3/8" tubing and 5-1/2" packer. PU 35 joints A+ workstring and round-trip 5-1/2" casing scraper to 1113'. TIH with tubing and set 5-1/2" DHS cement retainer to 1113'. Sting out of retainer. Load casing and circulate well clean with 27 bbls of water. Pressure test casing to 500# for 5 minutes, held OK. Sting into retainer and inject waste fluid from pit. Displace to CR with water. Sting out of retainer. Plug #1 with CR at 1113', spot 38 sxs (50 cf) cement inside casing above CR up to 747' to isolate the Gallup interval. TOH and LD tubing. Perforate squeeze holes at 152'. Establish circulation out bradenhead with 12 bbls of water. Plug #2 with 47 sxs (62 cf) cement pump down 5-1/2" casing from 152' to surface, circulate good cement out bradenhead. Shut in well.

7/28/04 No well pressure. ND BOP. Dig out and cut off wellhead. Found cement down 12' in 5-1/2 casing and at the surface in the annulus. Mix 10 sxs (13 cf) cement to fill casing and install P&A marker. RD and MOL.

H. Villanueva, NMOCD; W. Ashley, Navajo Minerals; and G. Shay, Navajo Minerals were on location.

SIGNATURE William F. Clark Contractor

July 29, 2004

(This space for Federal or State Office use)

APPROVED BY _____ Title _____ Date _____
CONDITION OF APPROVAL, if any:

22876

Date 07/26/09 Day MON

Well Name HURSESHOE GALLUP UNIT #11 Company PLATA MINERALS & ENERGY

$$\frac{2 \text{ h R's}}{1 \text{ h T}}$$
[illegible]

Wireline _____

N/C

CREW	NAME	UNIT #	MILEAGE	HOURS
Supervisor	MIKE HIGDON	#21		
Operator	TRAVIS BEGAY #221 IN AND FILL	#19		12.5 3.5
Helper	LORENZO RODRIGUEZ			3.0 3.0
Helper	ADAN REYES			3.0
Helper	CHRIS MONTANEZ			3.0
Trainee				

Daily Report

A - PLUS WELL SERVICE

P.O. BOX 1979 • FARMINGTON, NM 87499
505-325-2627 • FAX (505) 325-1211

22877

Rig No. #9

Date 07/27/04 Day TUE

Well Name HORSESHOE GALLUP UNIT #11

Company PLAYA MINERALS & ENERGY

1 hr T

10¹⁴ hrs Rig

1 hr T

FROM	TO	DESCRIPTION OF OPERATION
5:30	5:45	LOAD RIG SUPPLIES
5:45	6:45	TRAVEL TO LOCATION
6:45	7:15	START RIG AND EQUIPMENT. HELD PRE-JOB SAFETY MEETING.
7:15	7:30	OPEN NIPPLE UP FLOWLINES TO PIT, OPEN WELL.
7:30		NIPPLE DOWN WELLHEAD.
	8:00	RELEASE PACKER.
8:00	9:00	NIPPLE UP BOP/COMPANION FLANGE TEST RAMS
9:00	9:45	LAY DOWN 36 JTS 2 ³ / ₈ " TBG AND 5 ¹ / ₂ " PACKER.
9:45		PICK UP AND TTH/5 ¹ / ₂ " CSG SCRAPER AND 35 JTS 2 ³ / ₈ " A-PLUS WORK
	10:30	STRING FOOT @ 1113'
10:30	11:15	TTH/TBG AND SCRAPER.
11:15		TTH/5 ¹ / ₂ " DHS CRT AND TBG, SET CRT @ 1113', STING OUT OF CRT.
	12:15	CIRCULATE HOLE CLEAN / 27 BBLs FRESH WATER, PRESSURE TEST CSG
	1:00	TO 500 PSI, HELD PRESSURE 5 MIN, NO PRESSURE LOSS, BLEED PRESSURE OFF.
1:00	2:00	STING INTO CRT, INJECT FLUID FROM PIT, DISPLACE/FRESH WATER, STING OUT.
2:00		PLUG #1 - MIX AND PUMP 38 SXS (50 FT ³) ^{14.9} CNT FROM 1113' TO TOL @ 747'
	2:30	DISPLACE.
2:30	3:15	LAY DOWN TBG AND STINGER.
3:15		RIG UP WIRELINE. RIH/WIRELINE, PERFORATE 2-1 ¹ / ₁₆ " BI-WIRE SHOTS @ 152'.
	3:45	POH/WIRELINE, RIG DOWN WIRELINE.
3:45	4:00	PUMP 12 BBLs WATER DOWN CSG TO CIRCULATE CLEAN OUT BRADENHEAD.
4:00		PLUG #2 - MIX AND PUMP 47 SXS (62 FT ³) ^{14.8} CNT DOWN CSG TO CIRCULATE
		GOOD CNT OUT BRADENHEAD.
	5:00	SHUT WELL IN.
5:00	6:00	TRAVEL TO YARD.
		HENRY VILLANUEVA/NMDCD
		GARY SHAY/NAVAJO MINERALS
		WALLACE ASHLEY/NAVAJO MINERALS

Fuel & Motor Oil

Water Hauled

Rental Equipment

Cement Retainers 5¹/₂" DHS @ 1113'

Cementing PLUG #1 - 38 SXS PLUG #2 - 47 SXS

Wireline 2-1¹/₁₆" BI-WIRE SHOTS @ 152' (MH)

One Day

CREW	NAME	UNIT #	MILEAGE	HOURS
Supervisor	MIKE HIGDON	#21		
Operator	TRAVIS BEGAY	#19		12.5
Helper	LORENZO RODRIGUEZ			12.5
Helper	ADAN REYES			12.5
Helper	CHRIS MONTANEZ			12.5
Trainee				

Company PLAYA MINERALS & ENERGY

1 mT
3 3/4
m
Ris

Wireline _____

1/2 day

A-Plus Well Service, Inc.

P.O. Box 1979, Farmington, NM 87499
505-325-2627

6298

Date: _____

Truck #: 141

Event: #1	From: HGU #26	To: HGU #11	Hours
Start:	What: HAUL FLOAT #98/A-PLUS WORKST RING AND PIT #525		
07/26/09			
Stop:	Charge to: NMOLD		1.0
Event: #2	From: HGU #11	To:	
Start:	What: STANDBY RIG UP TRUCK		
07/27/09			
Stop:	Charge to: NMOLD		2.0
Event: #3	From: HGU #11	To:	
Start:	What: STANDBY RIG UP TRUCK		
07/28/09			
Stop:	Charge to: NMOLD		1.0
Event: #4	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #5	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #6	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #7	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #8	From:	To:	
Start:	What:		
Stop:	Charge to:		
	Driver: MIKE HILDON		4.0
Diesel:	Helper		
Oil:	NM MILES: _____ CO MILES: _____ UT MILES: _____		
Remarks:			
	F-4 - Float Rental		
	holding Workstring		

F1.2

F1.6

F1.C

F4
2 days

A-Plus Well Service, Inc.

P.O. Box 1979, Farmington, NM 87499
505-325-2627

6328

Date: 7-28-01

Truck #: #19

Event: #1	From: <u>H.G.U. # 23 Hwy 64</u>	To: <u>Farmington (YARD)</u>	Hours
Start: <u>4:00</u>	What: <u>Brought in 36 from H.G.U. # 11 and 37 joints from H.G.U. # 23</u>		<u>2</u>
Stop: <u>6:00</u>	Charge to: <u>NMOC</u>		
Event: #2	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #3	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #4	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #5	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #6	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #7	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #8	From:	To:	
Start:	What:		
Stop:	Charge to:		
	Driver: <u>Adan Reyes</u>		
Diesel:	Helper <u>Crew</u>		
Oil:	NM MILES: _____ CO MILES: _____ UT MILES: _____		
Remarks:	<u>Drive nicely</u>		
	<u>NMOC H.S. # 11</u>		
	<u>Haul 36 joints to A Plus yard</u>		

F1.d

1/2
2 hrs
1 hr.

A-Plus Well Service, Inc.

P.O. Box 1979, Farmington, NM 87499
505-325-2627

6322

Date: 8-4-04

Truck #: 254824

Event: #1	From: <u>A-P-W</u>	To: <u>PITMAN POND #5</u>	Hours
Start: <u>5:00</u>	What: <u>HAVE WORK STRUNG OUT COME BACK & GOT PITS</u>		
	HAVE OUT DRIVE BACK & GOT LARGE GRAY PIT & HAVE OUT		<u>7</u>
Stop: <u>12:00</u>	Charge to: <u>OGAN / BHP</u>		
Event: #2	From: <u>A-P-W</u>	To: <u>CAVE</u>	
Start: <u>12:00</u>	What: <u>TAKE TUBING FROM HSGU # 11 & 25 TO CAVE</u>		<u>2.5</u>
	& DROP OFF		
Stop: <u>2:30</u>	Charge to: <u>NM OGD</u>		
Event: #3	From: <u>A-P-W</u>	To:	
Start: <u>2:30</u>	What: <u>WORK UP HARD</u>		<u>3.5</u>
Stop: <u>6:00</u>	Charge to:		
Event: #4	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #5	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #6	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #7	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #8	From:	To:	
Start:	What:		
Stop:	Charge to:		
	Driver: <u>DUANE GUSTIN</u>		<u>13</u>
Diesel:	Helper <u>FLOYD BERRY</u>		<u>13</u>
Oil:	NM MILES: <u>107</u>	CO MILES: _____	UT MILES: _____
Remarks:	<u>98 HWY 9 DIRT</u>		
	<u>NM OGD HSGU # 11</u>		
	<u>Take tubing to Cave</u>		

2.5 hrs.
2 =
1.25 hrs

F3.0

Unit
#24

2.5 hrs.
2 =
1.25 hrs

F2.0

Helper 1.25 hrs.

A-Plus Well Service, Inc.

P.O. Box 1979, Farmington, NM 87499
505-325-2627

6299

Date: _____

Truck #: 134

Event: #1	From: HGU #26	To: HGU #11	Hours
Start:	What: HAUL 1 LOAD FRESH WATER & STANDBY		
07/27/09			
Stop:	Charge to: NMOC D		2.0
Event: #2	From: HGU #11	To:	
Start:	What: HAUL 1 LOAD FRESH WATER & STANDBY		
07/28/09			
Stop:	Charge to: NMOC D		1.0
Event: #3	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #4	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #5	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #6	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #7	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #8	From:	To:	
Start:	What:		
Stop:	Charge to:		
	Driver: MIKE HIGDON		3.0
Diesel:	Helper		
Oil:	NM MILES: _____ CO MILES: _____ UT MILES: _____		
Remarks:			

FL. 2

FL. 6

A-Plus Well Service, Inc.

6300

P.O. Box 1979, Farmington, NM 87499
505-325-2627

Date: 7/26/04

N/C

Truck #: 155

FG.C

FG.C

FG.C

Event: #1	From: HGU #26	To: HGU #11	Hours
Start:	What: STANDBY DISPOSAL		
07/27/04			
Stop:	Charge to: NMOLD		2.0
Event: #2	From: HGU #11	To:	
Start:	What: STANDBY DISPOSAL		
07/28/04			
Stop:	Charge to: NMOLD		1.0
Event: #3	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #4	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #5	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #6	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #7	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #8	From:	To:	
Start:	What:		
Stop:	Charge to:		
	Driver: MIKE HIGDON		3.0
Diesel:	Helper		
Oil:	NM MILES: _____ CO MILES: _____ UT MILES: _____		
Remarks:			

A-Plus Well Service, Inc.

P.O. Box 1979, Farmington, NM 87499
505-325-2627

6320

Date: 8-2-04

Truck #: 24

Event: #1	From: A-P-W	To: HSGU # 26	Hours
Start: 5:30	What: CLEAN LOCATION REMOVE TRASH & CEMENT		
	8 LEVEL LOCATION TOOK TRASH TO INJECTION SITE		3
Stop: 8:30	Charge to:		
Event: #2	From: HSGU # 26	To: HSGU # 23	
Start: 8:30	What: CLEAN 5 LEVEL LOCATION REMOVE TRASH		3
	5 CEMENT TOOK TRASH TO INJECTION SITE		
Stop: 11:30	Charge to:		
Event: #3	From: HSGU # 23	To: HSGU # 11	
Start: 11:30	What: CLEAN 5 LEVEL LOCATION REMOVE TRASH & CEMENT		4.5
	TOOK TRASH TO INJECTION SITE		
Stop: 4:00	Charge to:		
Event: #4	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #5	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #6	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #7	From:	To:	
Start:	What:		
Stop:	Charge to:		
Event: #8	From:	To:	
Start:	What:		
Stop:	Charge to:		
	Driver: DUANE GUSTIN		10.5
Diesel: 19.5	Helper FLOYD BEGAY		10.5
Oil:	NM MILES: 71	CO MILES: _____	UT MILES: _____
Remarks:	46 HWY 85 DIRT		
	HSGU # 11 HAD A 2" PIPE ONLY ABOUT A FOOT BELOW GROUND THAT HAD TO BE CUT UP & REMOVED 90'		
	NMOC	HSGU # 11	

Clean location - haul trash to injection site

Helper 4.5 hrs.

4.5 hrs.

RCI Form - 00155A

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

COPY

August 30, 2004

CAVE Enterprises

PO Box 79
Flora Vista, NM 87415

Rig #9

Invoice #3438

For used tubing from **Horseshoe Gallup Unit** wells, located in T31N, R16W, San Juan County, NM.

This material was credited to NMOCD on the appropriate invoice.

Cost Summary:

HSGU Well	Feet	Type and Size	Value	Salvage
#11	1116	36 joints 2-3/8" tubing	\$ 0.80	\$ 892.80
#23	1147	37 joints 2-3/8" tubing	\$ 0.80	\$ 917.60
#25	1333	43 joints 2-3/8" tubing	\$ 1.20	\$ 1,599.60
#33	1302	42 joints 2-7/8" tubing, NU	\$ 0.80	\$ 1,041.60
#33	52	pieces 5/8" used rods	\$ 2.00	\$ 104.00
#39	1240	40 joints 2-3/8" tubing	\$ 0.70	\$ 868.00
#39	50	pieces 3/4" used rods	\$ 5.00	\$ 250.00
#19	1178	38 joints 2-3/8" tubing, heavy paraffin	\$ 0.70	\$ 824.60
#66	1178	38 joints 2-3/8" tubing, heavy paraffin	\$ 0.70	\$ 824.60
				\$ 7,322.80

NM TAX Exempt - Resale

THANK YOU**TOTAL DUE \$ 7,322.80**

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

(#11)

July 14, 2004

Mr. Charlie Perrin
NM Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, NM 87410

Re: Purchase Agreement Invoice Review

Dear Charlie:

After the addition and calculation discrepancies discovered relative to the sixteen wells A-Plus plugged for the EPA, through an agreement with the NMOCD; we have completed a review and recalculation of all A-Plus Well Service invoices to the NMOCD for work preformed under the Purchase Agreement Number: 41-521-0700028.

The following table summarizes our findings from this invoice review:

Purchase Document Number:	Number Well P&A	Wells Revised	Original Inv. Amount	Revised Inv. Amount	Difference Due NMOCD
04-199-000444	1	0	\$ 12,609.86	No Change	0.00
04-199-000456	1	0	\$ 10,818.66	No Change	0.00
04-199-000457	1	1	\$ 11,647.95	\$ 11,616.03	\$ 31.92
04-199-000490	8	1	\$ 90,665.72	\$ 90,477.75	\$ 187.97
04-199-000549	13	9	\$ 125,755.65	\$ 124,917.84	\$ 837.81
04-199-000613	<u>3</u>	<u>2</u>	<u>\$ 26,577.64</u>	<u>\$ 25,866.42</u>	<u>\$ 711.22</u>
Totals	27	13	\$ 278,075.48	\$ 276,306.56	\$ 1,768.92

In total 13 invoices had calculation errors and have been revised. Eleven of these problem invoices involve wells which were plugged for EPA and the net amount due the NMOCD is \$1,549.03 as determined on the attached July 13, 2004 HSGU Plugging Invoice Review summary. These eleven wells involve two Purchase Order Numbers as indicated in the summary.

PO Credit -1.1

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
FARMINGTON, NM 87499
505-325-2627 • FAX: 505-325-1211

July 14, 2004

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NM Oil Conservation Division

Re: Purchase Agreement Invoice Review

The review of all invoices paid under the Purchase Agreement found two additional invoices with calculation errors. First, for the HSGU #239 well, the original salvage for rods was \$135.00 credit and the revised credit is now \$165.00; this results in a refund due the NMOCD of \$30.00 plus tax of \$1.92 for a total adjustment amount of \$31.92.

Second, for the HSGU #220, the original salvage for tubing was \$883.50 credit and the revised credit is now \$1,060.20; this results in a refund due the NMOCD of \$176.70 plus tax of \$11.27 for a total adjustment amount of \$187.97.

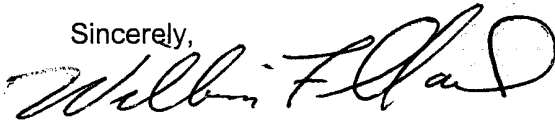
Attached are the following items:

- A copy of the EPA Wells HSGU Plugging Invoice Review spreadsheet (involves two Purchase Order Numbers);
- 6 spreadsheet for the above Purchase Orders, presenting the revised invoice amounts;
- 13 revised invoices, showing the corrections with strikeouts and italics.

What is the appropriate procedure to remit the balances due the NMOCD to correct these invoicing calculation errors? Is it possible to credit a recently plugged well that has not been invoiced (or paid by the NMOCD) included in the same Purchase Order Number? Or would individual PO payments or a lump sum with explanation be best?

If you have any questions about these items, please advise. When you are clear as the re-payment procedure, please let me know. Sorry for this inconvenience.

Sincerely,



William F. Clark
President

