P. 0. Box 1809 Durango, Colorado 81301

CERTIFIED MAIL
RETURN RECKIPT REQUESTED

November 14, 1973

Skelly Oil Company 1860 Lincoln Street Denver, Colorado 80203

Attention: Mr. Keith Green, District Landman

Gentlemen:

Skelly Oil Company is the record lessee of Federal oil and gas lease Santa Fe 080539 on which J. R. Abraham, designated operator, drilled the No. 3 Yaffee well in the NW4SR2 sec. 1, T. 25 N., R. 3 W., Rio Arriba County, New Mexico. Said well was drilled in March 1966 and has been temporarily abandoned since that date.

Numerous requests of J. R. Abraham for delinquent reports on the well have not been satisfied. A recent inspection of the site revealed that no attempt has been made to remove a junked steel mud pit from the location, to level pits, or to properly plug the hole.

Since Skelly Oil Company is responsible for operations on the lease, you are directed to see that the well is properly plugged and abandoned and that the surface is satisfactorily restored. If downhole plugs have been placed in the well, verification of such plugs in the form of a service company's work order ticket or invoice indicating the type of plugs set, volume of materials used, depth of plug placement, and dates of operations should be submitted to this office. In the absence of such proof of plugging it will be necessary for the well to be cleaned out to total depth and to be re-plugged in the following manner:

- 1. Place a 100' cement plug across the top of the Pictured Cliffs formation
- 2. Place a cement plug across the entire face of the Ojo Alamo formation
- 3. Place a 50' cement plug straddling the surface casing shoe
- h. Place a 30' cement plug at the surface with standard dry hole marker
- 5. Leave heavy mud between all cement plugs

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You are further directed to file the following reports:

- 1. Well Completion Report (form 9-330 4 copies)
- 2. Notice of Intention to Abandon (form 9-331 6 copies)
- 3. Electrical logs (2 copies of each log rum on the well)
- 4. Subsequent Report of Abandonment (form 9-331 6 copies) File this report after the well has been plugged.

If these requests are not promptly and properly satisfied, we will have no other alternative than to contact your surety for compliance.

Sincerely yours,

(Orig. Sed.) J. W. LONG

Jerry W. Long District Engineer

cc: NMOCC, Aztec