



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

Hobbs - District I
1625 North French Drive
Hobbs, NM 88240
OFF: (505) 393-6161
FAX: (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

October 27, 1999

Toco, LLC.
P.O. Box 888
Hobbs, NM 88240

RE: MORSE "A" #1 UNIT A-S28-T10S-R37E

Dear Mr. Trainer:

The above well has been tentatively set for annual testing on November 8, 1999. On October 25, 1999, according to a conversation with Doug Crenshaw, this well is not active at this time. Mr. Crenshaw stated that work has been done on the well in an attempt to repair downhole problems. As of this date our office does not have any correspondence stating that this well has been worked on since the conversion to salt water disposal.

An OCD field representative inspected the location on October 26, 1999, as a result the inspector found the well in a condition that justifies that the well has not been worked on recently.

The OCD requests at this time that you perform one of the following options.

1. Restore the well to injection.
2. Set a CIBP, and conduct a mechanical integrity test to properly temporarily abandon the well.
3. Submit a proposal stating plugging and abandonment procedures.

If you have any further questions, please contact our office at the number stated above.

Sincerely,

CHRIS WILLIAMS
District I Supervisor

/sad

cc; Doug Crenshaw
Gary Wink
file