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**KERSEY AND COMPANY**  
P.O. BOX 1248  
FREDERICKSBURG, TX 78624  
830-997-7519

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August 27, 2003

New Mexico Energy, Minerals, and Natural Resources Department  
Lori Wortenberg, Director  
Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**RECEIVED**  
SEP - 2 2003  
Oil Conservation Division

Dear Commissioners;

Please find enclosed documentation confirming that the plugging of Kersey & Company ASU "A" #1 and Kersey and Donohue Federal #1 was completed as previously stated:

1. A letter from Dale Hughes of Hughes Drilling, the contractor that did the plugging, in which he gives the dates and details of the plugging operation.
2. Copies of sundry notices for both wells, stating the dates and plugging procedure, dated 5-30-02.

These Sundry notices were not stamped by the Artesia O.C.D. office, and I am assuming that they were either lost in their office or in the mail. On August 22, 2003 I hand carried copies of the enclosed and for-mentioned sundry notices to the Artesia office and delivered them to Tim Gum. I asked him to confirm that Van Barton had witnessed the plugging on said dates. On August 27, 2003, I called Van Barton and he confirmed that the information was correct.

Sincerely,



Kenneth R. Wade

May 21, 2002

Kersey & Company  
P.O. Box 1248  
Fredericksburg, TX 78624

Ken,

On April 26, 2002 I plugged the Kersey & Donohue K.D. Fed #1 well. I had LaFarge, the local ready mix place bring 70 sacks of Type II cement, mixed with 6.3 gallons of water per sack. It took approximately 62 sacks to fill the hole, about 8 sacks to the pit. BLM witnesses on location were Gene Hunt and another man named Paul.

On Friday May 3<sup>rd</sup> – I attempted to plug the Kersey & Company ASU "A" State #1 well. I pumped 70 sacks Type II cement into the well – but it didn't fill up. The state inspector Van Barton required that we run a wire line to locate the top of the cement. I had Keltic Services run a wire line. We tagged at 151 feet. I had him mail this bill to you.

On May 7<sup>th</sup> – I mixed 10 sacks and finished plugging this well. The hole only took about 6 or 7 sacks. Van Barton was notified this time too but he was a no show.

On May 9<sup>th</sup> I set Dry Hole Markers at each of the two locations with 2 sacks Quickcrete each.

I cleaned all the bent & junk pipe off both locations.

We need to have The Gas Company remove the gas line risers from each location.

Ken – Please send me a check for \$1453.60 to cover my out of pocket expenses on plugging these wells.

Thank you,

*Dale Hughes*

Dale Hughes  
#31 Jerry Dr.  
Artesia, NM 88210

*Paid*

Submit 3 Copies  
To Appropriate  
District Office  
**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised March 25, 1999

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

**DISTRICT II**  
311 South First, Artesia NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. <i>30-015-01310</i>
5. Indicate Type of Lease Federal <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <i>NM012897</i>
7. Lease Name or Unit Agreement Name: <i>K. D. Federal</i>
8. Well No. <i>#1</i>
9. Pool name or Wildcat <i>Vandagriff Keyes</i>

**SUNDRY NOTICES AND REPORTS ON WELLS**

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well:  
Oil Well  Gas Well  Other

2. Name of Operator  
*Kersey & Danohue*

3. Address of Operator  
*P.O. Box 1248 Fredericksburg TX 78624*

4. Well Location

Unit letter *P* : *990* feet from the *South* line and *990* feet from the *East* line

Section *3* Township *17S* Range *28 E* NMPM *Eddy* County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

**NOTICE OF INTENTION TO:**

PERFORM REMEDIAL WORK  PLUG AND ABANDON

TEMPORARILY ABANDON  CHANGE PLANS

PULL OR ALTER CASING  MULTIPLE COMPLETION

OTHER:

**SUBSEQUENT REPORT OF:**

REMEDIAL WORK  ALTERING CASING

COMMENCE DRILLING OPNS.  PLUG AND ABANDONMENT

CASING TEST AND CEMENT JOB

OTHER:

2. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

*April 26, 2002*  
*Well was plugged using plan approved by BLM.*  
*Pumped 70 sacks cement down 2 7/8" casing, filled casing. Set dry hole marker and cleaned location of debris and leveled location. Plugging procedure observed by BLM. agent Hunt.*

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Kenneth R Wade* TITLE *Manager* DATE *5-30-02*  
Type or print name *Kenneth R Wade* Telephone No. *830 997-7519*  
(This space for State use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of approval, if any:

Submit 3 Copies  
To Appropriate  
District Office  
**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised March 25, 1999

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

**DISTRICT II**  
311 South First, Artesia NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. <i>30-015-01306</i>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <i>E-6566</i>
7. Lease Name or Unit Agreement Name: <i>ASU - "A"</i>
8. Well No. <i>1</i>
9. Pool name or Wildcat <i>Vandagriff Keyes Queen</i>

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well:  
Oil Well  Gas Well  Other

2. Name of Operator  
*Kersey & Co*

3. Address of Operator  
*P.O. Box 1248 Fredericksburg Tx 78624*

4. Well Location  
Unit letter *M* : *660* feet from the *South* line and *660* feet from the *West* line  
Section *2* Township *17S* Range *28E* NMPM *Eddy* County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

2. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

*May 3, 2002*  
*Pumped 70 sacks cement down 2 7/8" casing.*

*May 6, 2002*  
*Tagged plug 151 ft from surface.*

*May 7, 2002*  
*pumped 7 sacks cement, filled casing to surface*  
*set dry hole marker, and removed debris from location*  
*Procedure was directed by Agent Van Barton*

hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Kenneth R Wade* TITLE *Manager* DATE *5-30-02*  
Type or print name *Kenneth R Wade* Telephone No. *830 997-7519*  
(This space for State use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of approval, if any: