



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT I HOBBS
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Jennifer A. Salisbury
CABINET SECRETARY

November 18, 1999

Smith and Marrs, Inc
PO Box 863
Kermit, Tx 79745

**RE: State HT-B # 1...SWD
Unit Letter D, Section 31, Township 12 South, Range 34 East
State HT-A # 1
Unit Letter B, Section 36, Township 12 South, Range 33 East
Aztec State Com # 3
Unit Letter M, Section 18, Township 16 South, Range 37 East**

Gentlemen:

Through routine inspection it has come to our attention that the above referenced wells have been shut in for an extended period of time. A review of our records show that these wells have not been Temporarily Abandoned. Producing and injection wells can not be shut in for longer than a year. The following options are available regarding the future disposition of this well:

1. Restore the wells to injection or production.
2. Set plug, conduct mechanical integrity test, and request temporary abandoned status.
3. Submit a proposal to plug and abandon the well, proceed with plugging on a timely basis after the proposal has been evaluated, amended and or approved

To avoid further action on these wells the NMOCD request that you respond with in 30 days of receipt of this letter. If you do not respond we will have no choice but to schedule a Show Cause Hearing. We request that you notify this office 24 hours prior to any operation in order to witness the operation, either repair or plugging and pressure test upon completion of repairs or to request TXA status.

Very truly yours
OIL CONSERVATION DIVISION

Billy Prichard
Deputy Inspector, District 1

Xc: Chris Williams
Gary Wink
Rand Carroll
File

