



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Oil Conservation Division

February 5, 2001

RAY WESTALL
P.O. BOX 4
LOCO HILLS, NM. 88255

RE: INACTIVE NON-COMPLIANCE WELLS

Dear Randy :

Thank you for your work plan response of January 23, 2001. As you are aware , the OCD is addressing the inactive well issue on a state wide bases . This is a two fold project of first verifying that both the operators and the OCD records call inactive wells the same based on proper documentation. Secondly, bringing all inactive wells into compliance in a timely manner. This project commenced with a mass mail out from Santa Fe on May 11, 2000 and continued with my letter of January 24, 2001.

In reviewing your plan , you indicate that five wells are currently producing. Please provide the documentation showing that these wells are producing. The latest OCD list of 11/16/00 was attached to my last letter. The documentation can be a copy of Sundries and/ or C-115's. The one well stated as a water disposal well has no volumes reported based on the 11/16/00 list. Again this may be a reporting problem and/ or the wells conditions have changed since the November list and proper documentation can correct this problem.

A copy of the C-104 showing the change of operator from Westall to Marathon would solve this problem , however Westall is currently carried as the operator of record.

BEFORE EXAMINER OR CLERK	
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There are only four wells you indicate that will be returned to production. These wells have last reported production as far back as 1980 to 1993. The time of eight months to bring them into compliance is hereby rejected. The preferred time is four months. Rule 201.B states any well inactive for a period of twelve months shall be plugged and abandoned or properly T &A within 90 Days.

For the two wells that C-108's are being prepared you are requested to conduct a "MIT" on each well within 90 days. The last reported production for both wells was in 1996. These "MIT's" may be used as the official test when the wells are converted if the conversion is achieved within a reasonable time frame.

Sincerely,

TIM W. GUM



DISTRICT II SUPERVISOR
OIL CONSERVATION DIVISION

XC: LORI WROTENBERY ---- DIRECTOR