



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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January 2, 1981

Marlin Oil Company
518 Seventeenth Street
Denver, Colorado 80202

Attention: Jim Snyder

Dear Mr. Snyder:

Mr. Ramey has discussed your letter to him dated December 23, 1980, with me. On the basis of that discussion Mr. Ramey has asked that I write you advising of certain facts and conditions relative to the well in question, of which you may not be aware.

First, as to the telephone call referred to in paragraphs 3 and 4, the call on 2-8-80 advised that preparations were under-way to run bore-hole surveys on the Bennett Petroleum Corporation #2 Phelps Dodge well. Disposition of the well had not been definitely decided until after the logs had been examined. Plugging was discussed and it was agreed that if no fluid zones were exposed to the uncased hole, plugging in the manner reported by Form C-103 (received 4-9-80) as to the "Notice of Intent to Plug" would be acceptable. No communication was received here regarding decisions arrived at by your supervisor after the logs had been run and examined nor was ample opportunity to witness the plugging provided.

Second, in the 5th paragraph you state that I am requiring plugs in the above named well for intervals where such plugs have not been required in nearby wells. This is certainly correct, however, this overlooks the fact that in those nearby wells Bennett Petroleum Corporation set and cemented casing at total depth effectively sealing off those zones for which I prescribed the so-called "extra" plugs.

While this well may have been plugged, several inspections of the site and data submitted to this agency do not seem to bear this out. The site was inspected on 3-17-80 and several times since. There was no plug or marker at the surface. The cellar was full of mud and cotton seed hulls and was caving. When I attempted to investigate the open 8 5/8" casing I sank into the cellar 'slop' to my waist and would have been hard pressed to get out had it not been for my assistant standing by. There is no

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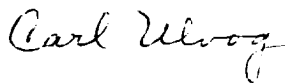
question about the lack of a surface plug or marker. There is also no question about the condition of the site; it is one of the worst I have ever seen, and I can provide names of others - not connected with this agency - to verify this if you like.

There was a hearing on 8-6-80 concerning the well herein discussed. It was advertised in advance as required by law. At that hearing, no testimony or comment was presented to indicate that the Oil Conservation Division was being unreasonable in its requests. I believe you or your representative called a day or two before the hearing, at which time I confirmed that the subject well was one of the items to be considered at that hearing.

In view of the foregoing there seems to be little that can be done at this point other than proceeding with the proper plugging of the well.

Attached are copies of some correspondence to refresh your memory. If you wish additional information, or have some additional data not already submitted, please advise.

Yours truly,



CARL ULVOG
District IV Supervisor

CU/og

cc: Bennett Petroleum Corporation
1580 Lincoln Street
Denver, Colorado