



GARY JOHNSON  
GOVERNOR

STATE OF NEW MEXICO

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY  
CABINET SECRETARY

January 30, 1995

Sanders Oil Company  
c/o Mr. C. W. Sanders  
1620 Dallas Parkway, Suite 190  
Dallas, Texas 75248

Re: Properly Abandoned Wells

Rule 201 A. states the operator of any well drilled for oil, gas or injection, for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof.

Rule 201 B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within (90) days after (1) A 60 day period following suspension of drilling. (2) A determination that the well is no longer usable for beneficial purposes (3) A period of 1 year in which a well has been continuously inactive.

It has been brought to my attention that after the receipt of your letters dated May 10, 1993, in regard to the plugging of your Cannon et al #1-Y in unit N-27-10S-25E and Cannon #2 unit L-27-10-25, you were given verbal plugging procedures over the phone and we have not yet received your C-103 intents to plug.

Please forward to this office by March 1, 1995 a plan to plug and abandon these wells.

Yours Truly

Ray Smith  
Deputy Oil & Gas Inspector

RS:br