

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON
GOVERNOR

JENNIFER SALISBURY
CABINET SECRETARY

10-10-97

Manzano Oil Corporation
P.O. Box 2107
Roswell, NM. 88202-2107

Re; Properly Abandoned Wells, Manzano Pioneer 26 State #1 Sec.26-8-27 Chaves County, NM.

The State of New Mexico is in the process at this time of reviewing leases to determin the number of abandoned and shut in 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 the 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.

House Bill 65 has been passed by the legislature and provides some tax incentives for wells put back in production. However, if there are no plans to put a well or wells back in service then plugging or proper temporarily abandonment will be required

Please fordward to the Oil Conservation Division office in Artesia by December 1 1997, your intentions for the above captioned well.

Yours truly,


Tim Gum