

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON  
GOVERNOR

OCTOBER 29, 1997

JENNIFER SALISBURY  
CABINET SECRETARY

MARKS&GARNER PRODUCTION LTD  
P.O. BOX 70  
LOVINGTON NM 88260

RE: Shut In Wells

The State of New Mexico is in the process at this time of reviewing leases and determining the number of 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, will be responsible for the plugging thereof."

Rule 201 B. states "A well will 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 one year in which a well has been continuously inactive."

House Bill 65 has been passed by the Legislature and provides a 3.75% tax incentive for wells put back in production. However, if there are no plans to put this well back in service then it needs to either be plugged or properly temporarily abandoned.

Please use Form C-103 and Form C-139 for the 3.75% tax incentive to indicate your intentions for the following well(s):

SEE ATTACHED

Please advise this office within 30 days of the date shown above as to your intentions or any change of status for the above listed well(s). If you have any questions or if you need any help - feel free to stop by the office and visit with us.

Sincerely,

Tim W. Gum  
Supervisor District II

OGRID Identifier : 14070 MARKS AND GARNER PRODUCTION LTD CO

Pool Identifier : 28509 GRAYBURG JACKSON;SR-Q-G-SA

API Well No : 30 15 2893 Report Period - From : 10 1995 To : 10 1997

API Well No	Property Name		Prod. Days		Production Volumes			Well
			MM/YY	Prod	Gas	Oil	Water	
30 15 2893	CAVE POOL UNIT		12	96				T
30 15 2893	CAVE POOL UNIT		01	97				T
30 15 2893	CAVE POOL UNIT		02	97				T
30 15 2893	CAVE POOL UNIT		03	97				T
30 15 2893	CAVE POOL UNIT		04	97				T
30 15 2893	CAVE POOL UNIT		05	97				T

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP

PF02

PF03 EXIT

PF04 GoTo

PF05

PF06 CONFIRM

PF07 BKWD

PF08 FWD

PF09

PF10 NXTPOOL

PF11 NXTOGD

PF12