

Date	10/30	Pages	1
From	JENNIFER		
To	JENNIFER		
Co./Dept.	PLAINS PET.		
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STATE OF NEW MEXICO
 GEOLOGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
 ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY
 CABINET SECRETARY

October 25, 1996

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S PETROLEUM OPER. CO.
 .WALL STE 1000
 ND TX, 79701

Properly Abandoned Wells

State of New Mexico is in the process at this time of
 reviewing leases and determining the number of inactive wells.

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. states "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."

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 be either 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 inactive well(s):

MCNUTT STATE #9 M-21-18-28

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

*FYI -
 Not Plains Pet. property -
 Well sold to Rainbow
 2/3 yrs ago.*

811 S. First St.

ARTESIA, NM 88210

505-748-1283

748-9720