

STATE OF NEW MEXICO
ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON
GOVERNOR

JENNIFER SALISBURY
CABINET SECRETARY

February 24, 1997

Mr. Paul Bliss
Bliss Energy Corp.
P.O. Box 1817
Hobbs NM 88240

Re: Properly Abandoned Wells, Bliss Energy, Warren State #1
T-17-19S-28E

The state of New Mexico is in the process at this time of reviewing leases and determining the number of abandoned wells.

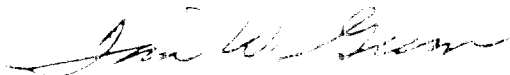
Rule 101 A. states the operator of any well drilled for oil, gas or injection, for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof.

Rule 101 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 some tax incentives 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.

We have checked production back through 1991 on the above captioned well and find none reported. Please forward to the NMOCD Artesia office by March 15, 1997 a plan to bring this well into compliance with Rule 201.

Yours Truly,



Tim W. Gurr
District II Supervisor