

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON
GOVERNOR

JENNIFER SALISBURY
CABINET SECRETARY

June 12, 1997

Mr. Darrell Atkins
105 So. 4th Street
Artesia NM 88210

Copy TO - 7-20-97
DAVID W
PAUL H
JOE C

Re: Properly Abandoned Wells.

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

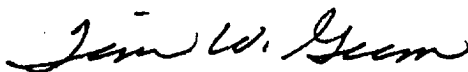
Rule 201 B. states a well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within 90 days after (1) a 60 day period following suspension of drilling. (2) a determination that the well is no longer usable for beneficial purposes. (3) a period of one 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 wells back in service then they need to be either plugged or properly temporarily abandoned.

Following is a list of wells recently identified as shut in showing the last production date that we have on record.

Please notify the NMOC office in Artesia of your plans for these wells and when to expect them to be brought into compliance with rule 201.

Yours Truly



Tim W. Gum
District II Supervisor

Attachment