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FEB 24 '88

IN REPLY REFER TO

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3162.4

MIKE WILLIAMS

C. C. D.
ARTESIA, OFFICE

This is a copy of the letter regarding the
Rio Penasco RT Com #1 well.

When Darrell called the BLM and told them
the story about the sour gas, they told
him to send a Sundry explaining and he told
me to send the notice. In fact, he wrote it
out for me to type.

Juanita at Yates

P-603 314 210

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

RE: CA #RNM 012
Rio Penasco Rt. #1
SENE, Sec. 3, T19S, R25E
Eddy County, New Mexico
Sec. 30, T. 16 S., R. 29 E.

Gentlemen:

A review of our records and field inspections indicates that the above well is
in Temporary Abandonment (TA) status. If you are to continue to keep this
well in TA status, you must show that the downhole equipment/casing is in
satisfactory condition.

Accordingly, you are hereby requested to submit for approval a program for
testing the downhole equipment for the wells on a Sundry Notice (Form 3160-5,
formerly 9-331) and reason why you desire to keep the well in TA status within
30 days from the date of this letter. The well must be tested in accordance
with the attached specifications. Please call the Carlsbad office (505) 887-6544
in time for a field inspector to witness all tests.

If the well is found in unsatisfactory condition, it must be corrected or the
well plugged and abandoned. If the well is not tested, it will be considered
unserviceable and you will be required to plug and abandon the well. If the
well was tested within the last 12 months it will not require retesting
provided that the test results have been filed and approved by this office.
Please contact Shannon Shaw at (505) 887-6544 for further information.

Sincerely,

Richard L. Manus

Richard L. Manus
Area Manager

Enclosure:

- Casing Pressure Test Procedures