

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON  
GOVERNOR

JENNIFER SALISBURY  
CABINET SECRETARY

8-19-97

Snow Oil & Gas, Inc.  
P.O.Box 1277  
Andrews, Texas 79714

Re; Properly Plugged Wells; Snow Oil & Gas Read & Stevens  
State # 3 sec. 10-19-29-ut. K

Dear Sir;

The state of New Mexico is in the process at this time of reviewing leases to determine the number of abandoned and 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, shall be responsible for the plugging thereof."

Rule 201 B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within (90) days after (1) a sixty 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 a well or wells back in service then plugging or proper temporarily abandonment will be required.

Yours truly,



Tim Gum