

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 13, 1997

Mr. Frank Boyce
#4 Forrest Dr.
Roswell NM 88201

JUL 15 1997

Re: Properly Abandoned Wells: Frank Boyce, Connie C St #4 B-25-19-28

Dear Frank,

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. state 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 pluggged and abandoned or temporarily abandoned in accordance with these rules with 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.

Please forward to NMOCD office in Artesia by July 15, 1997 a plan to bring the above captioned well into compliance with rule 201.

Yours Truly



Tim W. Gum
District II Supervisor

Sure Energy Oil & Gas Ltd.

DALE R. PEDEN

4 FOREST DRIVE
ROSWELL, NM 88201

To Tim W. Gam

7-10-97

Dear Tim

Re: Conner C State #4-B-25-K-28

We are in the process of trying to acquire about 40% more of this well. We would like to redo it and make it a profitable also we thought it had been properly terminated.

Thanks
Dale Peden