

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON
GOVERNOR

JENNIFER SALISBURY
CABINET SECRETARY

October 28, 1996

Delta US Corp.
3100 C North "A" Street
Midland TX 79705

Re: Properly Abandoned Well, Delta US Corp, Missouri N.M. Land Co.
Com #1, Ut O Sec 6-23-27

Dear Sirs;

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 & 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.

Our records show no production reported since 6/1/73 on the above captioned well. Please forward to the Oil Conservation Division Artesia office by December 1, 1996 a plan to bring this well into compliance.

Yours Truly, .



Ray Smith
Deputy Oil & Gas Inspector