NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT II ARTESIA
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Jennifer A. Salisbury
CABINET SECRETARY

July 27, 1999

Smith & Marrs Inc

P.O. Box 863

Kermit TX 79745

Re: Plugging Reports

	Lease	Well No.	Ut S-T-R
Form C-103 Report of Plugging for your	Terra State	#2	O-14-23S-26E

cannot be approved until an NMOCD representative has made an inspection of the location and found it to be cleared to comply with OCD rules and regulations. Please check each item in the space provided to indicate that the work has been done and location is ready for final inspection.

( ) 1. All pits have been filled and leveled.

( ) 2. Rat hole and cellar have been filled and leveled.

( ) 3. A steel marker 4" in diameter and approximately 4' above mean ground level has been set in concrete to mark the exact location of plugged well. (Marker must have operator name, lease name, well number and location including quarter/quarter section or unit letter, section, township, range and API well ID number permanently welded, stamped or otherwise engraved into the metal marker.)

( ) 4. The location has been leveled as nearly as possible to original top ground contour and has been cleared of all junk and equipment.

( ) 5. The dead men and tie downs have been cut and removed.

( ) 6. If a one well lease or last remaining well on lease, the battery and burn pit locations have been leveled and cleared of all junk & equipment.

The above are minimum requirements and no plugging bond will be cancelled until all locations for plugged and abandoned wells have been inspected and Form C-103 approved.

When all of the work outlined above has been done, please notify this office by completing, signing and returning this letter to us so that our representative will not have to make more than one trip to the location.

I certify that the above work has been done and the above mentioned lease is ready for OCD inspection and approval.

Name

Title

Mike Stubblefield
Mike Stubblefield
Field Rep II