

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
GOVERNOR

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY
CABINET SECRETARY

February 21, 1996

Meteor Developments, Inc.
511 16th Street, Suite 400
Denver, Co., 80202

Re: **PROPERLY ABANDONED WELLS**

Martin #3
Sec. 20 T-22-S R-27-E
Eddy Co., N.M.

Martin # 5
Sec. 20 T-22-S R-27-E
Eddy Co., N.M.

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. " A well shall be either properly plugged and 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."

Our records indicate that Meteor Developments, Inc. is currently in violation of these rules in the above named leases. Therefore, we require a written notice **within 30 days** of Meteor's plans on what action you intend to take.

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 than it needs to be either plugged or properly temporarily abandoned.

If you may have any questions relating to this matter please call our office listed below on the letterhead.

Yours, Truly

Ray Smith