

STATE OF NEW MEXICO

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

GARY E. JOHNSON  
GOVERNOR

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY  
CABINET SECRETARY

January 5, 1996

National Energy Group Inc  
4925 Greenville Ave, Ste 1400  
Dallas, TX 75206

Re: Properly Abandoned Wells, National Energy Group, Parr #1 P-15-23-26

Dear Sirs;

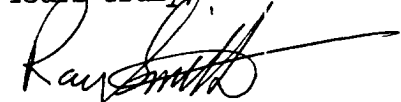
Rule 201 A. states the operator of any well drilled for oil, gas or injection, for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof.

Rule 201 B. states a well shall be either properly plugged 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.

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 on this well for over 3 years. Please advise this office within the next 15 days of your intent.

Yours Truly,



Ray Smith  
Deputy Oil & Gas Inspector

RS:br