

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 30, 1996

Bird Creek Resources Inc  
P.O. Box 21470  
Tulsa, OK 24121

Re: Properly Abandoned Wells, Bird Creek Resources Inc,  
Skeen #1 K-28-22-27

The state of New Mexico is in the process at this time of reviewing leases and determining the number of abandoned wells.

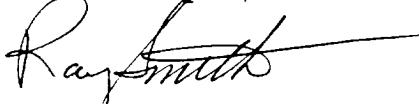
Rule 201 A. states the operator of any well drilled for oil, gas or injection, for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof.

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

We hope this bill will be of some help to you in restoring this well to production. The last reported production was 2/95.

Yours Truly ,



Ray Smith  
Deputy Oil & Gas Inspector