

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

GARY E. JOHNSON  
GOVERNOR

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY  
CABINET SECRETARY

June 6, 1996

Mr. Stan Morgan  
Advantage Pumping Service  
1728 Muscatel  
Carlsbad, NM 88220

Re: Properly Abandoned Wells, Advantage Pumping, Vasques #1, D-13-23-27

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.

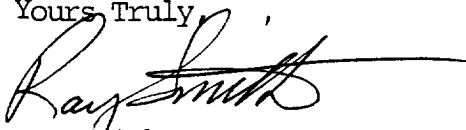
Rule 201 B. states a well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within 90 days after (1) a 60 day period following suspension of drilling. (2) a determination that the well is no longer usable for beneficial purposes. (3) A period of 1 year in which a well has been continuously inactive.

Hourse 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 from January 1, 1993 to January 1, 1996.

Please contact the Oil Conservation Division Artesia office by July 1, 1996 with a plan to bring this well into compliance with rule 201.

Yours Truly,

  
Ray Smith  
Deputy Oil & Gas Inspector