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OIL COMPRENATION COMMISSION 1000 2 C BENEVAL FOAD AZTEC, N. MEX.

November 3, 1960

Shepard & Scanlon Box 1238 Farmington, New Mexico

Our files indicate that Notice of Intention to Drill has been filed by Shepard & Scanlon for three wells in McKinley County. The #1 Ray was filed November 12, 1959 and Miscellaneous Reports filed subsequently indecated the well was drilled to a Total Depth of 542 feet and that 55 casing was set and cemented at that point. Nothing further has been filed on this well since December 15, 1959. Will you please file Form C-103 showing the present status of the well and indicating your plans for either completing the well or for permanently plugging and abandoning it.

Our records also indicate that Notice of Intention to Drill was filed on May 23, 1960 on your #1 Santa Fe Pacific R ilroad well; in the SM Section 21-20N-9W. This notice was not approved until September 29, 1960 as your plugging bond was not approved until that date. We have learned that drilling operations have been conducted on this well. Will you, therefore, comply with the rules which require that misoclimeous reports be filed within 10 days after commencing drilling operations. All casing and cementing and any other pertinent information should also be filed on this well.

Notice of Intention to Drill on your #2 Santa Fe Railroad in the SW Section 21-20N-9W was filed October 11, 1960 and approved the same day. Please indicate if drilling operations have been started on this well.

You are hereby reminded that the New Mexico statutes provide severe penalties for non-compliance with the New Mexico Oil Conservation Commission's rules and regulations. We therefore suggest that you take immediate steps to comply with these regulations.

Yours very truly

BCA: ka

Emery C. Arnold
Supervisor, District #3

