

WARREN E. CARR
GEOLOGIST
~~P.O. Box 32255~~
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July 22, 1980

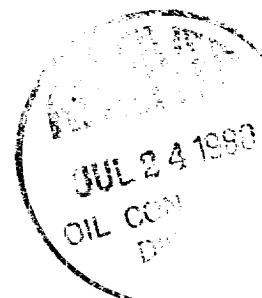
Atlantic-Richfield Company
Production Department - NW New Mexico
1860 Lincoln Street, Suite 501
Denver, CO 80295

Re: Horseshoe Gallup Unit
Monsanto (Lion) #1 State H
SW NW Section 2-T30N-R16W
San Juan County, New Mexico

Gentlemen:

In 1960 EPROC Associates purchased the subject well and lease covering the W $\frac{1}{2}$ of the NW $\frac{1}{4}$ Section 2-T30N-R16W. EPROC later drilled a well in the Unit E and moved surface equipment from the old hole to the redrilled location, and the Monsanto penetration was left "as is". When the Horseshoe Gallup Unit was created the lease and existing wells were committed to unit operation. At some later time, during electrification, the unit operator caused a power line to be placed directly over the old producing site operated by Monsanto. As I remember, in about 1968 EPROC attempted to recover tubing from this well, but no one seems to recall whether the attempt was successful; in any case, I do remember that the presence of the power line was a limiting factor.

Early this year we were informed that the Monsanto well was still under our plugging bond, and in the State's effort to clear unplugged wells, the Oil Conservation Division of the State of New Mexico advised that the well must be plugged and abandoned. Because of the presence of the power line, we will be unable to accomplish this without prior arrangement with Arco.



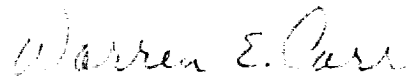
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It is requested that you review the situation and then provide suggestions as to procedure that would be the least disruptive in your removal of the power line while plugging operations are in progress. Thank you for your attention.

Sincerely,



Warren E. Carr

WEC:dc

fc: Mr. Frank Chavez
State of New Mexico
Oil and Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

Mr. Robert E. Lauth
P. O. Box 776
Durango Colorado 81301

