

DALTON BELL



ARTESIA, NEW MEXICO 88210

811 BULLOCK AVE. 505-748-2134
FAX 505-746-2345

2-12-02


NM Oil Conservation Commission
Attn : Lori Wrotenbery
1220 South St. Francis Dr.
Santa Fe , NM 87505

Dear Lori,

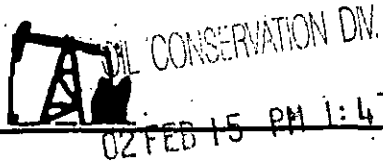
Re; OCD Hearing on Compliance

Thank you so much for your help and the quick response to my problem in this matter. I have responded to Mr. David Brooks and I hope my plan is satisfactory. I realize that we have a serious problem and I do not take it lightly, but when we Independents are at the mercy of the Futures . Pricing it really gets hard to stay in compliance.

Hopefully others will respond to the problems and we can get this all behind us. Again thank you very much.

Sincerely yours,

Dalton Bell

DALTON BELL



02 FEB 15 PM 1:47

ARTESIA, NEW MEXICO 88210

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Feb. 11, 2002

Oil Conservation Div.
Attn; Mr. David Brooks
1220 St. Frances Dr.
Santa Fe NM 87505

Thank you for your call concerning the Hearing of Feb.22. Enclosed is a list of the Wells that I am involved in and a schedule of dates by which I will do everything possible to meet. I appreciate the possible postponement so that I might continue to bring these wells into compliance. I appreciate the attitude of the Secretary and the Director. I realize sometimes we dont seem to be doing all we can to stay in compliance and I am sure that some refuse to take responsibility for their actions, but I assure you I will do my best to live up to my commitments.

Of course you know that if the Oil Price goes back to \$8.00 per bbl i am giving these Wells to You.Thanks!

Sincerely yours,

Dalton Bell

Submit 3 Copies To Appropriate District Office

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL, OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. <u>30-025-004644</u>
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <u>Happy Oil Co.</u>		6. State Oil & Gas Lease No. <u>1-1902</u>
3. Address of Operator <u>P.O. Box 343 Artesia, N.M. 88210</u>		7. Lease Name or Unit Agreement Name: <u>Chilkt State 6</u>
4. Well Location Unit Letter <u>W</u> : <u>330'</u> feet from the <u>South</u> line and <u>1650</u> feet from the <u>EAST</u> line Section <u>6</u> Township <u>21-S</u> Range <u>35-E</u> NMPM County <u>Lea</u>		8. Well No. <u>1</u>
10. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. Pool name or Wildcat <u>Wilson Yates Seven Rivers</u>

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

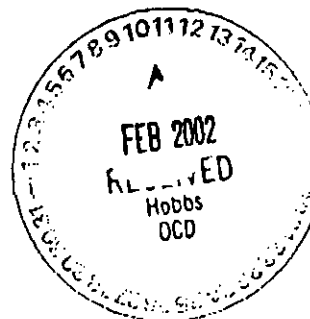
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
 CASING TEST AND CEMENT JOB ☐
 OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

25 ~~25~~ SXS @ 3700-3600' & TAG
 30 ~~30~~ SXS @ 1990-1700' (SAIT)
 25 ~~25~~ SXS @ 465-365
 10 SXS @ 60' - SURFACE
 10# Brine



Install Dry Hole Marker - Cir. 10# mud

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Rickey Smith TITLE Agent DATE 2-11-02
 Type or print name Rickey Smith Telephone No. 915 586-3076
 (This space for State use)

APPROVED BY _____ TITLE PAUL F. KAUTZ DATE FEB 11 2002
 Conditions of approval, if any: PETROLEUM ENGINEER

OIL CONSERVATION DIV.

DALTON BELL 12:26
02 MAR 13 1992

ARTESIA, NEW MEXICO 88210

811 BULLOCK AVE. 505-748-2134

FAX 505-746-2345

Feb. 11, 2002 MARCH 12 -02

WELLS WHICH ARE SHOWN TO BE OUT OF COMPLIANCE

OPERATOR	LEASE	WELL	APP#	ACTION	COMP DATE
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JDR Ltd.	Brooks	11	30-015-01427	P&A Plugged	2-28-02
		17	01433	" "	"
		16	01432	Return to Prod. Completed	"
		20	01441	P&A App. Approved	3-31-02
		22	01443	" " Submitted	4-30-02

HAPPY OIL CO.

Chilcat 6 #1	29727	Being P&A today will finish clean up Plugged	3-31-02
Fair #1	20385	P&A App. Submitted	3-31-02

Smith and Marrs, Inc.

RLSU	#	15	01457	Return to Production Move	5-31-02
		16	24000	" " " " " " " "	Date " "
		18	01463	" " " " " " " "	up to " "
		31	01493	P&A? Log shows Possib	4-31-02
		32	01492	" Gas Prod.	" "
		33	01462	" App Approved	4-31-02
		14	01460	Either P&A or Return to Production	7-31-02
Yates		5	42195	P&A App submitted	7-31-02
		1	01460	This Well is believed to be the oldest producing Well in New Mexico. It is being put back on production today. It was actually producing until it was temporarily shut in, but it was not being correctly reported. It will be corrected. Actually I should have said on State Land	

As you can see I am making progress. I still believe it would be a waste of time and Money for me to have to go to Sante Fe.

The schedule on the out Months can be shortened considerably.

Thank you, if this is not satisfactory please tell me what else I need to do.

Dalton Bell