



GOVERNOR

STATE OF NEW MEXICO

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

CABINET SECRETARY

March 6, 1995

Sage Oil Company  
P.O. Box 763  
Hobbs, NM 88240

Re: Properly 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.

Your Sage Oil Company, Gulf State #1 in Sec 20-10S-27E Unit N, is well beyond the one year period allowed for nonproduction.

Please submit a plan to bring this well into compliance with the above rules no later than April 1, 1995.

Yours Truly,

A handwritten signature in cursive script, appearing to read "D. Ray Smith".

D. Ray Smith  
Field Rep II