



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

August 4, 1978

RECEIVED

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

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O. C. C.  
ARTESIA, OFFICE

Mr. James E. Kirk  
Attorney at Law  
2607 Wyoming Blvd., N.E.  
Albuquerque, New Mexico 87112

Re: \$5,000 One-Well Plugging Bond  
Charles M. Goad, Principal  
United States Fidelity and  
Guaranty Company, Surety  
Bond No. 7556  
File Ref.: 01-0130-217-72

Dear Mr. Kirk:

Bill Gressett, the Artesia district supervisor, has made an inspection of the State Well No. 1 and made the following report. The pit has not been filled and levelled; there are deadmen on location. There is no evidence that a rig was there to run tubing. There was no tubing on location or evidence that it had ever been there. He reported that a truck had been there, presumably to mix cement. The 8 5/8" casing is full of cement at the surface, and cement was poured around it. But in view of the above, there is some doubt as to whether the other required plugs were set.

If Mr. Goad had filed a Notice of Intent to plug and abandon, Mr. Gressett could've been present to observe and approve the plugging program. However, Mr. Goad has not even filed a final plugging report. These are both violations of Division rules and regulations.

I would suggest that Mr. Goad cut off the 8 5/8 casing, drill out the top plug and tag the next, having first notified Mr. Gressett of his intent to do so. He must also file his paperwork and clean up the location. Otherwise, the Division will be forced to hire a contractor to perform this work and seek reimbursement from Mr. Goad's bonding company.

I realize that this will be at least an inconvenience to Mr. Goad. However, he should be aware of our rules and regulations and must comply with them. The Division has a certain statutory responsibility to ensure that wells are properly

Mr. James E. Kirk

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plugged and abandoned in order to protect fresh waters and prevent the migration of hydrocarbons. It is in keeping with that responsibility that we request the above.

Very truly yours,

LYNN TESCHENDORF  
General Counsel

LT/dr

cc: Bill Gressett  
James Lyons

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