

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON  
GOVERNOR

JENNIFER SALISBURY  
CABINET SECRETARY

November 22, 1996

Frank O. Cox  
718 Byrd Drive  
Abilene TX 79608

Re: Properly Abandoned Wells, Frank O. Cox, McClain Ranch #1  
Sec 15-2-28, De Baca County, NM

Dear Mr. Cox;

The state of New Mexico is in the process at this time of reviewing leases and determining the number of abandoned wells.

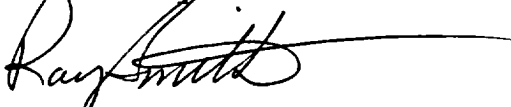
Rule 201 A. states the operator of any well drilled for oil, gas or injection, for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof.

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.

House Bill 65 has been passed by the legislature and provides some tax incentives for wells put back in production. However, if there are no plans to put this well back in service then it needs to be either plugged or properly temporarily abandoned.

Please forward to the NMOCD Artesia office by January 3, 1997 a plan to bring this well into compliance with Rule 201.

Yours Truly,



Ray Smith  
Deputy Oil & Gas Inspector