April 7, 1961

Mr. James P. Dunigan 415 Citizens National Bank Building Abilene, Texas

> Re: State Lease Well # 1, Unit D, Sec. 3-18S-28E, Eddy County, New Mexico

Dear Sir:

The New Maxico Oil Conservation Commission has the following Rules which pertain to the Plugging of a well, and I quote:

Rule 201: Notice.

Notice of intention to plug must be filed with the Commission by the owner or his agent prior to the commencement of plugging operations, on Form C-102, which notice shall state the name and location of the well and name of the operator, and contain an affidavit that the owner or his agent has notified all off-set lessees, giving the names of such lessees and the location of their lesses. In case of a newly completed dry hole, the operator may commence plugging by securing the approval of the Commission as to the time plugging operations are to begin. He shall, however, file the regular notification form.

Rule 202. Method of Plugging.

(a) Before any well is abandoned, it shall be plugged in a manner which will confine permanently all oil, gas, and water in the separate strata originally containing them. This operation shall be accomplished by the use of mud-laden fluid, cement and plugs, used singly or in combination as may be approved by the Commission. The exact location of abandoned wells shall be shown by a steel marker at least four inchesiin diameter set in concrete, and extending at least four feet above mean ground level. Siesmic, core or other exploratory holes drilled to or below sands containing fresh water shall be plugged and abandoned in accordance with the applicable provisions recited above. Permanent markers are not required on seismic holes.

## April 7, 1961.

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Very truly yours,

OIL CONSERVATION COMMISSION

MLA/sa

M. L. Armstrong Supervisor, District No. 2

Encl: Form C-103

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