

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

April 15, 1982

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

P.O. BOX 1980 HOBBS, NEW MEXICO 8624 (505) 393-6161

Tipperary Oil & Gas Corp. P. O. Box 3179 Midland, Texas 79702

Attention Mr. Glen E. Simpson

Re: Bell Well No. 3, Unit A Section 21, T-11-S, R-33-E Lea County, New Mexico

Dear Mr. Simpson:

Due to collapsed casing in the subject well, you are expected to at least set a retainer and squeeze off the area of the well-bore where the collapsed casing has occurred. After this is done, you can then leave the well temporarily abandoned until your budget requirements will allow you to sidetrack the collapsed area and redrill the well.

The above has been the policy of the OCD District I office for some time now. As you can see from the attached correspondence, both sides have agreed to temporarily abandon this well for over a year, and I feel that adequate time has passed for some work to have been budgeted. No further approvals will be given to temporarily abandon this well until the well-bore is in shape.

If you will decide by May 15 whether to plug and abandon this well, or to squeeze the collapsed area, I will hold off setting a show cause hearing on plugging the well.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District 1

JS/mc Attach.