

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

September 18, 1992

BRUCE KING GOVERNOR

> Xeric Oil & Gas Corp. P.O. Box 51311 Midland, TX 79710-1311 Attn: Kevin K. Gafford

RE: Milnesand Unit #163-J Sec. 12, T8S, R34E

Gentlemen:

We have received Form C-103 requesting the above-referenced well be changed from a producing oil well to a TA'd well. According to our records this well has not produced since 1990, and under our TA policy this well should have a mechanical integrity test conducted and a TA permit requested. We cannot approve a TA status for a well that has been shutin for more than one-year without demonstration of mechanical integrity of the wellbore.

Please file your intent to conduct this test as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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DRUG FREE

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

| to Appropriate District Office | DINCTRY INTERCENTER FOR A CONTRACT CONTRACTOR | |
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| DISTRICT I P.O. Box 1980, Kobbs, NM 88240 | OIL CONSERVATION DIVISION P.O. Box 2088 | WELL API NO. |
| DISTRICT II P.O. Drewer DD, Artesia, NM \$\$210 | Santa Fe, New Mexico 87504-2088 | 5. Indicate Type of Lease STATE FEE |
| DISTRICT III 1000 Rio Brazos Rd., Aziec, NM \$7410 | | 6. State Oil & Gas Lesse No. I.C-062178 |
| (DO NOT USE THIS FORM FOR PRO | CES AND REPORTS ON WELLS prosals to drill or to deepen or plug back to a avoir use "application for permit" 101) For such proposals (| 7. Lease Name or Utul Agreement Name MILNESAND UNIT |
| 1. Type of Well: | CULAR | |
| 2. Name of Operator XERIC OIL & GAS | CORPORATION | 8. Well Na. 163 |
| 3. Address of Operator | MIDLAND, TX 79710-1311 | 9. Pool name or Wildcat MILNESAND (SAN ANDRES) |
| 4 Well Location | 0 Feet From The South Line and 198 | 0 For From The East |
| | | |
| Section 12 | 10. Elevation (Show whether DF RKB. RT. CR. etc.) | NMPM ROOSEVELT County |
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data | | |
| NOTICE OF IN | • • • | IBSEQUENT REPORT OF |
| | PLUG AND ABANDON EREMEDIAL WORK | |
| | CHANGE PLANS COMMENCE DRILLI | ING OPNS. PLUG AND ABANDONMENT |
| Pull or Alter Casing | CASING TEST AND | CEMENT JOB |
| OTHER: CHANGE WELL STA | TUS ON MMS-3160 X OTHER | |
| 12. Describe Proposed or Completed Open work) SEE RULE 1103. | woos (Clearly state all pertinent details, and give pertinent dates, in | cluding estimated date of starting any proposed |
| PLEASE CHANGE | TELL STATUS ON MMS FORM 3160 FRO | DM POW TO TA . |
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| I hereby certify that the information above to the | and complete to the part of my toow tooge and be of | |
| SIONATURE Suint. | offord my OPERATION | NS MANAGER 9-15-92 |
| TYPE OR PROTENANS KEVIN K. | GAFFORD (915)683-3171 | TELEPHONE NO. |
| (This space for State Use) | | |
| | | |
| CONDITIONS OF AFFIDYAL, IF ANYI | | |
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SEP 1 7 1992

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