



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

June 18, 1991

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
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Mark Amershek
Tipperary Oil & Gas Corp.
633 17th Street Suite 1550
Denver, Colorado 80202

Mr. Amershek:

This letter is in response to your inquiry of an SWD well posted to the Temporarily Abandoned list we recently mailed. The well in question is: Denton Gas Plant #1; located in Sec.11-T15S-R37E of Lea County, New Mexico.

You stated that ownership of the Denton Gas Plant and all wells associated with that plant have been sold to J L Davis. There are two LPG storage wells (#1 and #2) in the same section and all three are still carried as Tipperary Oil & Gas Corp. As far as the OCD is concerned, Tipperary will be held responsible until a change of ownership is filed.

Ownership change is reported on Form C-104 and must be filed by the new owner. However; in order to file ownership, a plugging bond must be in place. Plugging bond forms and information may be obtained from the OCD office at the above address.

Our inspectors report that the wellhead condition of the LPG wells indicates severe corrosion. The SWD well is completed above the salt section, which is not allowed to be an injection zone under current rules. For the above reasons, the OCD would like to see some action on these wells by Tipperary or J L Davis in the near future.

Contact this office if you have further questions. We will await your response.

Yours very truly,
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Jerry Sexton".

Jerry Sexton,
Supervisor

JS/jm

cc: File
Tipperary (Midland)
J L Davis