



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

4/23/01

Gruy Pet Mgmt Co
PO Box 140907
Irving, TX 75014

Dear Sirs:

Division records indicate that you are the current operator of the following described salt-water disposal and/or enhanced recovery injection wells(s) in New Mexico. Upon review of our records, apparently there has been a continuous 1-year period (at minimum) in which injected volumes have not been reported to the Division on Form C-115 as required by Division Rule 19.15.9.706.

- Monterey State # 5 O-32-18-31 30-015-10195

Please be advised that Division Rule No. 705.C states that:

Whenever there is a continuous 1-year period of non-injection into any injection project, storage project, salt water disposal well, or special purpose injection well, such project or well shall be considered abandoned, and the authority for injection shall automatically terminate ipso facto.

In an attempt to update our records and ascertain the nature of the non-injection, the Division requests that you supply the following information:

1. Is your company the current operator of these disposal and/or injection well(s)?
2. Are these well(s) active and currently being utilized for disposal and/or injection? If not, have the well(s) been temporarily abandoned, converted to production, etc., and the proper paperwork filed with the appropriate District Office?
3. Are the injected volumes being reported to the Division on Form C-115?
4. If the well(s) are not currently being utilized for injection, does your company plan on re-instituting injection operations into these well(s) in the near future?

Please be advised that if your authorization to inject into the subject well(s) has terminated pursuant to Rule 705.C, the Division may re-instate injection authorization for these well(s) if there is sufficient explanation and/or justification for the non-injection in your response to this letter.

If you should have any questions, please contact Gerry Guye Artesia District Office at 505-748-1283.

Sincerely,

Tim Gum
District Supervisor