ARCO Oil and Gas Company
Four Corners Sub-District
Post Office Box 2197
Farmington, New Mexico 87401
Telephone 505 325 7527



July 17, 1984

New Mexico State Energy and Minerals Department Oil Conservation Division 1000 Rio Brazos Road Aztec, New Mexico 87410

1109 1-24-31N-17W

Attention: Mr. Frank Chavez

By this letter, we wish to verify that conversion from oil well to water injection well for Horseshoe Gallup Unit Well #109, located 660' FEL & 660' FSL, Section 24, T31N, R17W, San Juan County, New Mexico was completed on July 13, 1984. Authority for the conversion was granted by Administrative Order of The Oil & Gas Conservation Division, No. PMX-124, dated November 28, 1983.

Prior to injection, the tubing casing annulus was pressure tested. With zero psi on the tubing, 540 psi was applied to the annulus. This pressure held o.k. for 15 minutes.

Our present injection rate is 235 bbls. of water per day at a surface pressure of $160~\rm psi$. We will, as ordered, limit the wellhead pressure to no more than $278~\rm psi$.

Sincerely,

J. E. Taylor

Sr. District Production Supervisor

JET/jgb