



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 1, 2008

Mr. Mike Hanagan
Manzano, LLC
PO Box 2107
Roswell, NM 88202-2107

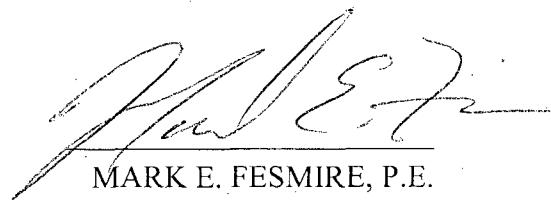
RE: Administrative Order SWD-1021-A

Peter Grande State Well No. 1 (API No. 30-025-36993)
330 FSL 400 FWL Section 1, Township 10 South, Range 32 East, NMPM,
Lea County, New Mexico

Dear Sir:

The Oil Conservation Division in Santa Fe has received your letter dated January 30, 2008 and Yates Petroleum Corporation's signed letter indicating the cementing work required on the Mescalero ARL State Well No. 1 API No. 30-025-33969 has been completed. Therefore, the specified Area of Review work within permit SWD-1021-A has been completed.

All specified pre-injection conditions relating to the subject well have been met and injection is now permitted.



MARK E. FESMIRE, P.E.

Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs
State Land Office – Oil, Gas, and Minerals Division