



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 17, 2008

Ms. Ocean Munds-Dry
Holland & Hart, LLP
P.O. Box 2208
Santa Fe, NM 87504

Re: Case No. 13589
Application of Duke Energy Field Services, LP for an Acid Gas Injection Well,
Lea County, New Mexico

Ladies and Gentlemen:

Order No. R-12546, issued in the referenced case on May 5, 2006, provides (in Ordering Paragraph F) for mechanical integrity testing of the subject acid gas well at five-year intervals.

The Division has decided that mechanical integrity of acid gas injection wells should be tested not less frequently than every two years, and plans to ask for imposition of this requirement in all future permits for such wells.

Pursuant to Ordering Paragraph U of the referenced order, the Division will amend Order R-12546 to incorporate a requirement for mechanical integrity testing at two-year intervals, unless you file a written protest with the Division not later than March 31, 2008, at 5:00 p.m. In the event that you file such a protest, this matter will be set for a hearing.

Should you have questions, please feel free to call the undersigned at (505)-476-3493.

Very truly yours,

Daniel Sanchez
Compliance and Enforcement Manager

