ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



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BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

June 22, 1994

Case 11043

J. K. Edwards Associates, Inc. 1401 17th Street Suite 1400 Denver, Colorado 80202

Attention: Mr. J. Keith Edwa

Dear Mr. Edwards:

The Division has received your application to convert the Bengal "A" Well No. 1 located in Section 1, Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico, to a water disposal well in the Gallup formation.

Please be advised that we have received a recommendation from our Aztec District Office that the application be set for hearing before a Division Examiner in order that the following issues may be further examined and addressed:

> Is the condition of the production casing in the well such that it will demonstrate mechanical integrity;

Are the wells within the "area of review" plugged in a manner which will ensure that they will not provide an avenue of escape for the injected fluid;

Will injection into the Gallup formation at this location cause waste of Gallup oil and gas reserves.

The application will be set for the Examiner hearing to be held on July 21, 1994. If you wish to pursue the application, your presence will be required at the hearing. If you have any questions, please contact either myself or Mr. Ernie Busch of our Aztec office at (505) 827-5800 or (505) 334-6178.

Sincerely,

David Catanach Engineer

xc: OCD-Aztec