



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

TONY ANAYA  
GOVERNOR

June 15, 1984

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88240  
(505) 393-6161

Energy Reserves Group  
Drawer 2437  
Midland, TX 79702

SUBJECT: Energy Reserves Group Denius Federal #2-J in 33-17-33  
Energy Reserves Group Denius Federal #3-K in 33-17-33

Gentlemen:

Division Order No. R-7519 authorizing Phillips Wyatt A Federal and Mexco A Pressure Maintenance Project in the Maljamar GB-SA Pool requires that the above two producing wells show adequate cement across and above the injection interval (4465--4750').

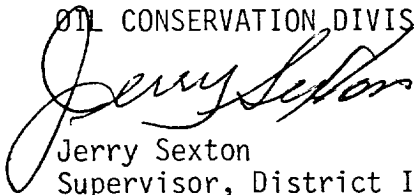
A review of the wellbore schematics of these wells shows the San Andres is not covered with cement. Since the Denius Federal #3 has had a casing leak at 5475 feet squeezed with 350 sx you may have cement across the injection interval, so you are requested to run a cement bond log on this well to confirm TOC and submit a copy to this office.

You are requested to monitor the casing pressures on the Denius Fed #2 and will be required to squeeze the San Andres if pressure developes. In order that we may be aware of how the pressure monitoring is working, you are requested to submit these pressure readings to this office on July 1, October 1, January 1, and April 1 of each year.

If you have questions concerning this, please feel free to contact me.

Very truly yours,

OIL CONSERVATION DIVISION

  
Jerry Sexton  
Supervisor, District I

JS/ED

cc: Mr. E. E. Clark, Phillips Pet. Co.  
Mr. Joe D. Ramey, OCD Santa Fe  
File