



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

October 13, 1995

Ray Westall  
P. O. Box 4  
Loco Hills, New Mexico 88255

Re: Joannie #1-C, Sec. 8, T18S, R34E

Gentlemen:

According to our records, the above referenced well was approved as a disposal well in the Queen formation by Division Order SWD-573 in October, 1994.

To date, we have not received a sundry notice (C-103), either outlining a proposed procedure to convert, nor a subsequent report confirming conversion of the well for use as a salt water disposal well.

An inspection by an Oil Conservation Division representative shows indications that the well is now being used for disposal. Also, there is water on the surface and dripping out of the casing valve on the wellhead.

In order to comply with the stipulations of the order permitting disposal into the well, we request that you conduct a pressure test, and if the well is being used for disposal, submit a subsequent notice (C-103) with the following information:

- 1> All repairs necessary to bring the well into a satisfactory condition for use as a disposal well.
- 2> The tubing size and packer setting depth.
- 3> The date of first disposal into the well.
- 4> If a pressure test was conducted prior to disposal, the original chart confirming the condition of the well.

If no pressure test was conducted and the chart is not available to be submitted with the C-103, we request 24 hours notice prior to the test on the well in order to witness the operation. This is to be accomplished no later than November 15, 1995.

In addition to the surface condition at Well No. 1, the following conditions exist at the lease:

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Joannie #1

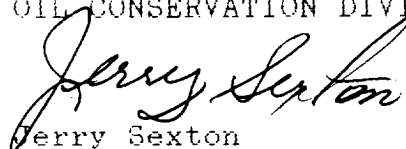
- a> Oil is seeping out around the tanks and under load valve.
- b> A high level of fluid in the pit.
- c> The net on the pit is sagging and is down in the fluid.

We request that you make the necessary repairs to bring the wells and surface location into a satisfactory condition.

We will make another inspection of the surface facilities in the near future.

Very truly yours

OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Jerry Sexton".

Jerry Sexton  
Supervisor, District I

JS:bp

File