



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

June 24, 2003

M.E.W. Enterprises
C/o Jim Pierce
200 West First Street, Suite 859
Roswell, New Mexico 88203

Re: Administrative Application for Water Flood Expansion
Twin Lakes San Andres Unit defined by
Division Hearing Order R-8611 as amended
Wells 302, 326, and 333
Chaves County, New Mexico

Dear Mr. Pierce:

The New Mexico Oil Conservation Division (Division) received your application June 23, 2003. Your application shows considerable work gathering offset well data and building well bore schematics. After review, the following items must be submitted prior to completing your order administratively.

- (i) Post a notice of your intentions to convert these three wells to injection in the local newspaper and supply proof of this notice to the Division. We have a copy of your notice to the surface owner, Ganada, Inc.
- (ii) Please address the requirements in C-108.III.B.(5) which asks for depths and names of the next higher and next lower oil or gas zone in the area of these wells.
- (iii) As per the language in Form C108.XII, supply an affirmative statement signed by a geologist.

For your information, the latest Form C-108 on the Division web site has the correct Division address. The C108 Form you submitted is older and does not have the correct address, but should be otherwise sufficient. The administrative order permitting Well No. 302 for injection will be issued with the condition that Twin Lakes San Andres Unit Well No. 17 be adequately cemented.



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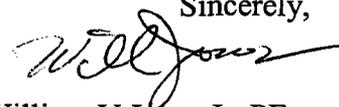
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M.E.W Enterprises
WFX Application – Twin Lakes San Andres Unit Waterflood
June 24, 2003
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As stated in Rule 701.C.2, we must wait 15 days after receiving your properly completed water injection application in this office – with proper proof of notifications including the newspaper notice - before it can be approved.

If I can be of further assistance, please call (505) 476-3448.

Sincerely,

A handwritten signature in black ink, appearing to read "WV Jones Jr.", with a long horizontal flourish extending to the right.

William V Jones Jr. PE

cc: Oil Conservation Division - Artesia