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**WALSH** ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

**New Mexico Oil Conservation Division  
Attn. Lori Wrotenbery  
2040 Pacheco St.  
Santa Fe, New Mexico 87505**

**March 9, 2001**

Dear Ms. Wrotenbery,

This letter is a written request for an extension, by the Division, for Pendragon Energy Partners' disposal permit (API no. 30-045-30096). The original effective date for the permit was March 13, 2000.

El Paso Field Services (EPFS), the surface owners, raised concerns about the disposal well (located 2220 fsl & 1680 fwl (unit k) of Section 16, Township 26 North, Range 12 West) after it was drilled. Pendragon suspended any further work on the well and is currently in active discussion with EPFS in an attempt to locate the surface facilities in an agreeable location as well as satisfy any other concerns EPFS may have with the operations of the disposal well.

The discussions appear to be coming to a close and Pendragon will complete the well and start injecting produced water as soon as EPFS signs off on a surface agreement.

If you have any questions or concerns, please feel free to contact me anytime.

Sincerely,

John C. Thompson  
Engineer

cc: Pendragon Energy  
Well file



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
**Oil Conservation Division**

May 8, 2001

Walsh Engineering & Production Corp.  
7415 East Main  
Farmington, New Mexico 87402

Attention: Mr. John C. Thompson

Re: Extension of Division Order SWD-764  
Pendragon Energy Partners  
Cowsaround SWD No. 1 (API No. 30-045-30096)  
Unit K, Section 16, T-26 North, R-12 West, NMPM,  
San Juan County, New Mexico

Dear Mr. Thompson:

Reference is made to your request dated March 9, 2001 on behalf of Pendragon Energy Partners for an extension of the time period in which to commence injection into the Cowsaround SWD Well No. 1. As you are aware, Division Order No. SWD-764 expires on March 13, 2001 if injection has not yet commenced into the well.

For the reasons outlined in your letter, a one-year extension is hereby granted. If injection has not commenced into the Cowsaround SWD Well No. 1 on or before March 13, 2002, or, if an additional extension is not granted, the injection authority for the well shall terminate on that date.

Sincerely,

David Catanach  
Engineer

Xc: OCD-Aztec  
File-SWD-764