

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

TONEY ANAYA GOVERNOR

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178

June 22, 1984

Arco Oil & Gas Co. P.O. Box 2197 Farmington, NM 87401

Re: Horseshoe Gallup Unit #7, SE, NW, Sec. 30, T31N, R16W, San Juan County, N.M.

Gentlemen:

On June 21st, 1984, Bill Duncan and myself inspected the above referenced well for tubing or packer leaks. Our method of investigation was as follows:

First - Read casing and tubing pressure as well was being injected. Casing read 760#, tubing read 760#.

Second - Shut off injection water to both zones for 5 minutes. No change in pressure.

Third - Flowed tubing into a tank through a 2" hose, wide open for 8 minutes. Casing pressure began to drop rapidly to 560#.

Fourth - We stopped back flowing tubing. Pressure on tubing and casing equalized rapidly.

Conclusion - Hole in tubing or packer leak.

Please schedule this well for necessary repairs as soon as possible.

If you have any questions, please contact this office.

Yours truly,

Ernie Busch

Deputy Oil & Gas Inspector

EB/dj

xc: E. Busch

D. Stamets UIC File

Well File

Operator File