

November 1, 1985

New Mexico Oil Conservation Division
P. O. Drawer DD
Artesia, NM 88210

Attention: Les Clements

✓ well file
O'BRIEN "L" #3
6-9-29

RE: Request for Permission to
Conduct Water Injection Tests
Twin Lakes Field
Chaves County, New Mexico

Gentlemen:

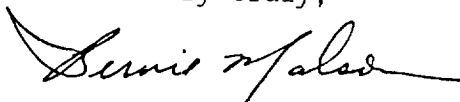
Pelto Oil Company requests the approval of the New Mexico Oil Conservation Division to conduct water injection tests into the San Andres formation within the Twin Lakes Field located in Chaves County, New Mexico. If you concur with our request, please sign both copies of this letter and return one copy in the enclosed self addressed stamped envelope as evidence of your approval.

In support of our request Pelto Oil Company certifies the following:

1. We plan to install a water flood project at Twin Lakes. The San Andres formation (both P-1 and P-2 intervals) is our objective horizon. The proposed injection tests will provide valuable information on injection rates, surface pressures, fracture gradients, injection profiles, mechanical conditions of the wells, completion and treating procedures and testing of materials. This information, in turn, will be input into our pilot and full scale flood designs.
2. We request permission to conduct the subject tests by injecting into the O'Brien "J" #3, O'Brien "L" #3 and/or O'Brien "K" #3. These three wells are now in a temporarily abandoned status.
3. A plat is enclosed which shows all wells and leases in the Twin Lakes field with the three proposed test wells identified thereon.
4. Enclosed are schematic diagrams of each of the three proposed test wells. The San Andres P-2 interval will be perforated prior to conducting the injection tests.

5. No water will be injected into any well which is within a 1/2 mile radius of any improperly plugged well.
6. There are no direct or diagonally offset operators to be notified.
7. We request a waiver of the 0.2 psi/ft maximum surface pressure gradient. . Our injection testing will include step rate tests to determine the natural fracture gradient for the San Andres formation. We will not exceed the surface fracture pressure.

Yours very truly,

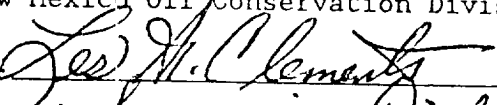


Bernie Malson
Production Administration Manager

BM:klm
B:020

Project Approval
New Mexico Oil Conservation Division

By:


Title: Supervisor Dist II

OK EXCEPT AS NOTED
BELOW HQ.

1. Test period not to exceed 180 days - 5/13/86
2. 0.2 psi/ft. not to be exceeded prior to conducting step rate tests

Copy to S.F.

Copy each well file

Copy Mike Williams