

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Betty Rivera Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

6/14/2002

Shackelford Dil Co. PO Box 10665 Midland, TX 79702

RE: Hadson Federal #1 (30-015-26524) - 1(-19-3)

Dear Sir:

On 6/13/02 a Mechanical Integrity Test was performed on the well indicated above.

It was found at that time that no bradenhead connection was visible. A search of the well file indicates the following:

1. 41/2" production casing was set at 3800' and cemented with 200 sacks and the Estimated Top of Cement at 1047'.

Since the production casing was not cemented to surface it is requested a valve be installed on the 4½ annulus in order to monitor the area behind the production casing. This valve should be plumbed to the surface with a valve above ground to facilitate setting a gauge for monitoring if necessary.

It is necessary that this work be accomplished on or before 7/15/102 and this office notified so that an inspection may be made.

Sincerely,

Gerry Guye Compliance Officer Dil Conservation Division, District II

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Extended to 2/28/03