



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
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GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

March 26, 1997

Mr Paul Berhost
Four Star O&G Co
3300 N Butler Ste 100
Farmington NM 87401

RE: Wayne Moore Com #1, N--16-31N-09W, 30-045-10674

Dear Paul:

We reviewed the approved C-103, well bore and well head schematics on the above referenced well as per our phone conversation on March 19, 1997. I had requested these from you to prove the status of the intermediate string of casing in this well and to determine why the intermediate casing wasn't being tested.

I have determined that the "7-4 1/2" annulus has been circulated. Also, as long as the Bradenhead continues to show zero or minimal pressure on it, Four Star O&G will not be required to incur the costs of a rig, equipment and labor in having to install a spool on the intermediate casing for pressure testing and monitoring purposes. So an exemption on intermediate testing has been granted on the above referenced well.

Please feel free to contact me at this office if you have any questions.

Sincerely,

Ernest Cardona
Deputy O&G Inspector

EC/sh

xc: Well File EC File