

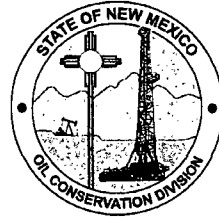
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



ANNUAL UIC TESTING
HOBBS OCD DISTRICT I OFFICE

November 27, 2013

CHESTNUT EXPL. & PROD. INC.
2201 N. CENTRAL EXPRESSWAY
STE. 240
RICHARDSON, TX 75080

HOBBS OCD

DEC 02 2013

RE: REQUIRED ANNUAL TEST REQUIREMENTS
D & E FEDERAL #1 N, SEC 22, TWSHP 20S, RGE 34E
BRADENHEAD TEST REQUIRED BY DECEMBER 31, 2013

RECEIVED

Dear Operator:

According to records, the well referenced above, requires a Mechanical Integrity Test by the date specified above.

The OCD Hobbs District I Office is requesting this test, in order for the above Operator to comply with the Underground Injection Control Program (UIC) for year ending 2013.

Please refer to the **NMOCD Rules 19.15.26.10 (Operation and Maintenance) and Rule 19.15.26.11. Part A, Section 2.** referencing testing and operation guidelines.

Please submit a copy of the Pressure Test Chart with a Subsequent Report C103 stating "Requirement for UIC Program".

CHART REQUIREMENTS IF PRESSURE TEST REQUESTED ABOVE

- | | |
|--|--|
| 1. 1000# Spring | 4. 24 Hour Chart |
| 2. 60 Minute Clock | 5. Calibration of Chart Recorder Within 6 Months |
| 3. Surface Valve Open During Pressure Test | 6. Intermediate Valves Open During Pressure Test |

FORM REQUIRED IF BHT REQUESTED ABOVE

- Use Attached Form for Bradenhead Test

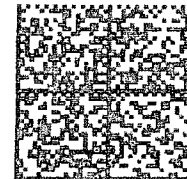
If you have any questions please contact Donna Mull @ 575-393-6161 x115 or Sylvia A. Dickey @ x112 or 575-370-3188.

Sincerely,

SYLVIA A. DICKEY
Compliance Officer
Hobbs District I Office

DEC 02 2013

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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