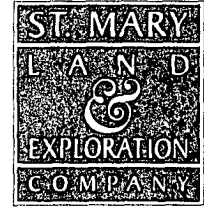


777 NORTH ELDRIDGE PARKWAY, SUITE 1000  
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August 20, 2007

New Mexico Oil Conservation Division  
Artesia OCD District Office  
Attn: Mr. Gerry Guye  
1301 W. Grand  
Artesia, NM 88210

AUG 27 2007  
OCD-ARTESIA

Subject: LOV No. 02/3607  
Parkway Delaware Unit #505 & Parkway Delaware Unit #601 Water Injectors

Dear Mr. Guye,

We wish to provide you with an update on the two water injection wells referenced in this LOV:

*C-103/chart not received*

**Parkway Delaware Unit #505, API 30-015-26029-00-00:**

The tubing & packer were pulled from this well and inspected. No apparent leaks were found. The tubing & packer were rerun on 8/6/07. An MIT was run to 380 psi and held with no pressure loss for 30 minutes. The well was returned to injection on 8/10/07.

**Parkway Delaware Unit #601, API 30-015-26433-00-00:**

The tubing & packer were pulled from this well and inspected. A leak was found in the Packer Mandrel. The tubing & a new packer were rerun on 7/26/07. An MIT was run to 350 psi and held with no pressure loss for 30 minutes. The well was put on injection 7/28/07; on 7/30/07, pressure was again found on the casing. The well was shut in with plans to move a pulling unit back onto the well to repair the leak within the next 1-2 weeks. OCD will be notified when this work is completed.

Please contact me if you have any further questions regarding these wells.

Sincerely,

*Eric W. Skaalure*

Eric W. Skaalure  
Sr. Staff Engineer  
281-677-2781