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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