



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

3/14/2002

Yates Petroleum Corp.

105 S. 4th St.

Artesia, NM 88210

RE: Handicapper SWD State #1 B-3-10-26 (30-005-63307)

Dear Sir:

On 03/07/02 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. 8 5/8 surface casing set at 1110' and cemented to surface.
2. 5 1/2 production casing was set at 6478' and cemented with the Top of Cement at 4430' as indicated by CBL.

Since the production casing was not cemented to surface it is requested a valve be installed on the 5 1/2 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 **04/15/02** and this office notified so that an inspection may be made.

Sincerely,

Gerry Guye

Compliance Officer

Oil Conservation Division, District II