

**H.R.C., Inc.
P O Box 5102
Hobbs, NM 88241
(505)393-6662**

March 15, 2005

Mr. Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Dr.
Santa Fe, NM 87505

RE: Hobbs State#10 Brine well pressure test.

Dear Wayne,

I am in receipt of your correspondence of 3/14/05. I am attaching the test results of the original test and the retest and some reference information.

If you or the Hobbs OCD office desires a retest I will get that done and witnessed immediately.

The "snafu" is on my part; I thought my office had forwarded the reports and that had not been done. I apologize for this delay on my part. I hope the attached information clears this up. If you require anything else let me know and I will comply.

Thanks for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary M. Schubert", written over a circular stamp.

Gary M. Schubert

cc, Hobbs OCD

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Hobbs State #10 Pressure Test

12/21/04

Rig up Maclaskey pump truck.

Pump fresh water down casing to 300 psi.

Close isolation valves and start chart recorder.

Found tubing discharge valve not holding (Paul Sheeley agreed he heard small valve seepage) and pressure decreased to 265# over 4 1/2 hours.

Agreed to replace leaking valve so that well can be pressured up with triplex injection pump and retested.

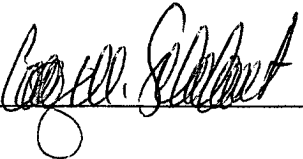
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Hobbs State # 10 Pressure Test

12/31/04 8:30 A.M.

**Pressure up on salt formation with Triplex (chart set by mistake on 96 minutes)
Achieved pressure at 10:00 A.M.
Reset timing chart to 12 hour cycle
Pressure held steady at 340 # until 8:30 P.M. turned off chart recorder.**

Witnessed By Gary M. Schubert, H.R.C., Inc.


_____ 12/31/04

Witnessed By Santiago Gonzalez, Gonzalez Welding


_____ 12/31/04

