



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

July 25, 1997

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-8161

Permian Resources Inc.  
P. O. Box 590  
Midland, Texas 79703

Re: SFPRR #21-O, Sec. 27, T9S, R37E

Gentlemen:

We have been advised that the above referenced well, permitted as a salt water disposal well by Division Order SWD 580, is currently being used for disposal.

An on-site inspection by an Oil Conservation Division representative confirms that the well is, and has been for an extended period of time, an active disposal well.

We have received a copy of a Federal form, dated January 26, 1995, stating the intent to convert. However, since this is not a federal lease, all sundry notices are to be submitted on Form C-103. To date, we do not have a subsequent report confirming conversion from a producing to a disposal well.

Prior to injection into the well, as stipulated in the order, a pressure test was to be conducted to confirm the integrity of the equipment. We request that you make arrangements for this test, have your personnel on location at 9:30 AM, AUGUST 14, 1997, for this procedure.

We request that you submit a subsequent report (C-103) containing the following information:

1. Any repairs necessary to bring the well into a satisfactory condition for use as a salt water disposal well.
2. Tubing size.
3. Type and setting depth of packer.
4. Date of first injection into the well.
5. Volume of disposal for the first 24 hour period.
6. Pressure used for disposal, or note if the well is taking water on a vacuum.