STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS

August 10, 1990

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Fina Oil & Chemical Company P.O. Box 2990 Midland, Texas 79702

Attention: Ron Smelley

Re: Horton Federal Well Nos. 12 & 25 Units N & F, Sections 30 & 29, T-8 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Mr. Smelley:

Reference is made to your letter dated August 6, 1990, whereby you requested authorization to cement a string of 2 7/8 inch tubing from the injection packer to the surface, for the purpose of demonstrating mechanical integrity in the above-described injection wells. It is our understanding that this work is necessary inasmuch as several attempts to squeeze cement casing leaks in these wells have been unsuccessful.

You are hereby authorized to perform the work as described above on the subject wells provided that once every two years an injection tracer survey must be run on each of these wells in order to demonstrate mechanical integrity.

Please advise Mr. Jerry Sexton of the date and time of conductance of such work in order that it may be witnessed.

Sincerely

David Catanach Engineer

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