

**New Mexico Oil Conservation Division**  
**Energy, Minerals and Natural Resources Department**

1625 French Drive, Hobbs, NM 88201  
2040 South Pacheco, Santa Fe, New Mexico 87505



**Underground Injection Control Program**  
**"Protecting Our Underground Sources of Drinking Water"**

23-Mar-00

**PERMIAN RESOURCES INC**  
PO BOX 590  
MIDLAND TX 79702-

Dear Sirs:

Following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines as established by the U.S. Environmental Protection Agency, the well must be shut-in immediately until the well is successfully repaired. The test detail section which follows, indicates preliminary findings and/or probable causes of the failure. Please keep in mind that this is a subjective determination based on one or more factors of the results of the test. The actual malfunction may not be similar in nature to those as estimated by this testing. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division as to the date and time that repairs will be attempted so such operations may be witnessed by a field representative.

**MECHANICAL INTEGRITY TEST DETAIL SECTION**

Well Name and Number	Well Type & Status	Location	API Well No.
HALEY CHAVEROO SAN ANDRES UNIT	I A	F 34 7S 33E	30-041-10165-00-00
Test Date 3/17/00 12:47:3	Permitted Injection PSI:	Actual PSI:	
Test Reason: ANNTST	Test Result: F	Repair Due: 6/20/00 12:47:36	
Test Type: BTST	FAIL CAUSE:	FAIL TYPE OIF	
Comments on MIT: This well failed in 96			

Well Name and Number	Well Type & Status	Location	API Well No.
HALEY CHAVEROO SAN ANDRES UNIT	I A	L 34 7S 33E	30-041-10213-00-00
Test Date 3/17/00 12:44:1	Permitted Injection PSI:	Actual PSI:	
Test Reason: ANNTST	Test Result: F	Repair Due: 6/20/00 12:44:16	
Test Type: SAPT	FAIL CAUSE:	FAIL TYPE OIF	
Comments on MIT: This well failed tst in 1999..SI on 3/16/2000			

Well Name and Number	Well Type & Status	Location	API Well No.
HALEY CHAVEROO SAN ANDRES UNIT	I A	B 34 7S 33E	30-041-10243-00-00
Test Date 3/17/00 12:41:0	Permitted Injection PSI:	Actual PSI:	
Test Reason: ANNTST	Test Result: F	Repair Due: 6/20/00 12:41:04	
Test Type: SAPT	FAIL CAUSE:	FAIL TYPE OIF	
Comments on MIT: This well failed tst in 96, SI on 3/16/2000			

Well Name and Number	Well Type & Status	Location	API Well No.
HALEY CHAVEROO SAN ANDRES UNIT	I A	H 34 7S 33E	30-041-10413-00-00
Test Date 3/17/00 12:53:2	Permitted Injection PSI:	Actual PSI:	
Test Reason: ANNTST	Test Result: F	Repair Due: 6/20/00 12:53:21	
Test Type: BTST	FAIL CAUSE:	FAIL TYPE OIF	
Comments on MIT: This well failed in 96			

Thank you for your prompt attention to this matter and your efforts in helping to protect our ground water resources.

Sincerely,

*Chris Williams*

Chris Williams, District I Supervisor

Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. \* Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.