



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

August 15, 1990

Circle Ridge Production, Inc.
c/o Peak Consulting Services
P.O. Box 636
Hobbs, NM 88240

Attention: Michael L. Pierce

RE: Proposed water injection wells, Rock Queen Unit - Section 26 Well No. 3, C-26-T13S-R31E and the Rock Queen Unit - Section 27 Well No. 9, I-27-T13S-R31E. Caprock Queen Pool, Rock Queen Unit Waterflood Project Area, Chaves County, New Mexico.

Reference is made to your letter dated August 14, 1990 and to my telephone conversations with you and Mr. Eddie Seay of our Hobbs District Office on Tuesday August 14, 1990, concerning the two proposed injection wells.

Circle Ridge Production Inc. is hereby authorized to conduct an injectivity test on both wells. Said test period shall not extend beyond September 1, 1990 and the maximum injection pressure for such test shall not exceed 0.2 psi per foot of depth to the top of the open hole interval in each well. Circle Ridge is also authorized to proceed with the mandatory casing mechanical integrity test on both wells.

Circle Ridge must contact Mr. Eddie Seay in the Hobbs District Office of the Division at such time as each test phase on both wells are to commence so that a representative of his office may be present.

Jurisdiction of this matter is retained for the entry of such further orders as the Division may deem necessary.

Circle Ridge Production, Inc.

Attn: Michael L. Pierce

August 15, 1990

Page 2

Should you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Hobbs: Eddie Seay
Case File
Templeman & Crutchfield - Lovington
William J. LeMay - Oil Conservation Division Director
Jim Morrow - Oil Conservation Division Chief Engineer