

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

March 22, 1996

Permian Resources Inc.
P. O. Box 590
Midland, Texas 79702

Re: Test Results Chaveroo San Andres Unit

Gentlemen:

An Oil Conservation Division representative recently witnessed annulus pressure and/or bradenhead tests on the injection wells in your Chaveroo San Andres Unit.

It was noted that the following wells have been converted from injection to producing wells:

Tr 1 #4-D, Section 3, T8S, R32E
Tr 3 #3-J, Section 34, T7S, R32E
Tr 8 #4-L, Section 35, T7S, R32E

To date, we have not received the paperwork necessary to change our records to reflect this change. To update our records, we request that you submit the following forms:

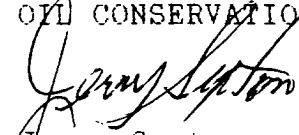
1> Sundry Notice (C-103) for Fee Land and Federal Form for Tr 1 #4, outlining all procedures necessary to bring the wells into a satisfactory condition for production. Also, indicate the reason for filing the report. Since the federal form is to be submitted to the BLM, please send a copy of the report to this office.

2> In order for an allowable to be assigned to these wells, we request that you submit a C-104, stating the oil & gas transporters, confirming the location of the tank battery, and a 24 hour well test.

We are enclosing copies of the test sheets for your information, and blank Forms C-103 and C-104, for your convenience in filing.

Very truly yours

OIL CONSERVATION DIVISION



Jerry Sexton
Supervisor, District I

JS:bp

cc: William J. LeMay