



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT I HOBBS
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(505) 393-6161
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Jennifer A. Salisbury
CABINET SECRETARY

October 1, 1999

Midland Operating
3300 N.A Street ,Bldg 2,Ste 104
Midland,Tx 79705

RE: New Mexico "DM" State NCT-2 # 1....SWD
Unit Letter E, Section 21, Township 13 South, Range 33 East

Gentlemen:

Through routine inspection it has come to our attention that the above referenced well has been shut in for an extended period of time. A review of our records show that on February 19, 1999 the NMOCD gave verbal approval to Apache Corp to move the water being disposed at the above well to the Apache Corp well Federal 20 # 1 (UL P, Sec 20, T13S, R33E). This verbal approval was temporary approval pending the repair work performed on the above well. NMOCD request you to bring the well in to compliance with OCD rule 705. The following options are available regarding the future disposition of this well:

1. Do necessary repairs and conduct NMOCD witnessed MIT and restore the well to disposal.
2. Set plug, conduct mechanical integrity test, and request temporary abandoned status.
3. Submit a proposal to plug and abandon the well, proceed with plugging on a timely basis after the proposal has been evaluated, amended and or approved.

If one of the last 2 options is your choice, you may contact Ben Stone(505 827-8186) at the Sante Fe office to request approval to surface commingle the water going to the Federal 20 # 1. To avoid further action, we request that you exercise one of the above options no later than December 29, 1999. We request that you notify this office 24 hours prior to any operation in order to witness the operation, either repair or plugging and pressure test upon completion of repairs or to request TXA status.

Very truly yours
OIL CONSERVATION DIVISION

Billy Prichard
Deputy Inspector, District 1

Xc: Chris Williams
Gary Wink
Ben Stone
File