



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

March 29, 1985

TONEY ANAYA  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88240  
(505) 393-6161

Energy Reserves Group, Inc.  
P. O. Drawer 2437  
Midland, Texas 79702

Attention Mr. W. J. Sandidge

Re: Taylor Well No. 1, Unit C  
Section 11, T-6-S, R-33-E  
Roosevelt County, New Mexico

Dear Mr. Sandidge:

Although Division Order SWD-276 authorized disposal into the subject well, it did not authorize the re-entry work. Prior to re-entry, Forms C-101 and C-102 should have been submitted to this office for approval, and Forms C-103 should have been submitted as the work progressed. As of this date, there is nothing in our file to indicate that the well has been re-entered or that Energy Reserves Group is the operator.

Further, before any variance in the pressure limit can be approved as requested in your letter of March 26, 1985, a step-rate test will be required. Therefore, you are directed to immediately reduce the pressure to 702 psi as stipulated by SWD-276 until a determination can be made regarding an increased pressure limit.

Also, within three weeks from this date you will be expected to have submitted all delinquent reports covering the re-entry and conversion of this well for disposal purposes.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton  
Supervisor, District 1

/mc