



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

TONEY ANAYA
GOVERNOR

October 3, 1984

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

Mr. R. L. Stamets
Acting Director
Oil Conservation Division
Box 2088
Santa Fe, NM 87502

SUBJECT: Wyatt-A Fed and Mexco-A Waterfloods
Order No. R-7519

Dear Mr. Stamets:

In answer to your inquiry concerning the matter of Phillips meeting the stipulations set out on page 6 paragraph (4) and page 7 paragraph (9) of Order R-7519, I offer the following information.

Phillips will re-enter and replug the following wells: Phillips Lexco St. #2, Cockburn Trimble #1 and Cockburn Federal #1. However, due to some delay with right-of-ways, etc, this work has not been commenced, but Mr. John Upchurch with Phillips assures me that this work should begin within the next 60-days and be completed long before any pressurization takes place.

The Corbin-Abo producing wells which did not show adequate cement across the injection interval have been reviewed and the following is what I agreed upon with Phillips.

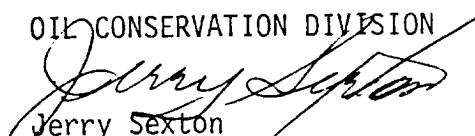
Phillips will monitor the 5½ x 8 7/8" annulus pressure and squeeze the San Andres zone as monitoring program indicates on their Eilliams #2, #3, and #6.

Energy Reserves will monitor casing pressure on their Denius Fed #2 and report this to us each quarter and they will squeeze the San Andres if casing pressures indicate it is necessary. Energy Reserves will run a CBL to confirm cement top on their Denius Fed #3 by March 1985 and we will take action as indicated by CBL.

I see no reason that Phillips should not be allowed to commence injection into these projects since the replug work should be completed before any possible pressurization begins.

Very truly yours,

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District I

cc: Phillips Pet. Co. Mr. John Upchurch