



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

April 4, 1996

Mr. Bob Abbott  
C/O Mr. William F. Carr  
Campbell, Carr & Berge, P.A.  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

Re: Goodwin SWD Well No. E-31  
Unit E, Section 31-T-18S-R-37E  
Lea County, New Mexico

Dear Mr. Abbott:

Reference is made to a recent meeting between yourself, Mr. William F. Carr and various Division personnel regarding the Goodwin Treating Plant and the Goodwin SWD Well No. E-31. Among the issues addressed at this meeting was the question of whether or not Agua Inc., should be allowed to continue operating the Goodwin SWD Well No. E-31, even though the Goodwin Treating Plant will not, most likely, be in operation.

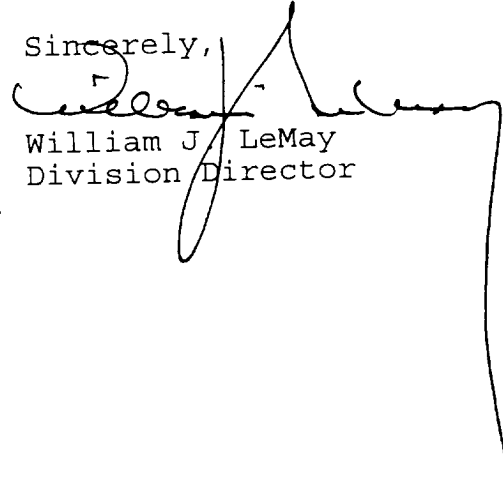
The Division has examined the injection permit for the subject well (SWD-68, dated September 2, 1967) and various test data on the well throughout its operation history. As a result of this review, the Division has determined that continued use of the Goodwin SWD Well No. E-31 for disposal is contingent upon Agua, Inc., meeting the following requirements:

- a) a mechanical integrity casing pressure test shall be conducted on the well in accordance with Division procedures, and this test shall be witnessed by a representative of the Division;
- b) plastic-lined tubing shall be set in a packer at a depth of approximately 4,450 feet;
- c) the well shall be operated in accordance with all applicable Division rules and regulations.

Failure to comply with the above-described requirements within 45-days from the date of this letter shall subject the well to immediate shut-in and a subsequent determination by the Division of whether or not the well should be plugged and abandoned.

Please advise Mr. Jerry Sexton of the Division's Hobbs District Office of your intent to comply with the above-described procedures in order that the tests may be scheduled.

Sincerely,

  
William J. LeMay  
Division Director

xc: Mr. Jerry Sexton, OCD-Hobbs ✓  
D. Catanach  
File-SWD-68