

LANEXCO, INC.

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*Will file
1 - copy each
well file pls.
AW*

March 23, 2000

CERTIFIED

Mr. David Catanach
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Energen Resources Corporation
Application to Inject Fluid Into a Reservoir Productive of Oil or Gas
Langlie Lynn #3, 5, 7, 9, 12, 14, 16, 18, 23
Langlie Lynn Unit, Langlie Mattix Field, Lea County, New Mexico

Dear Mr. Catanach,

Lanexco, Inc. as an offset operator respectfully & STRONGLY objects and request a hearing on the above captioned Wells from Energen Resources Corporation for authority to inject fluids into the Seven Rivers-Queen-Grayburg Formation.

The above Langlie Lynn Unit was formally operated by Conoco, Inc. and in May of 1990 their Langlie Lynn Qu Unit #1 Sec 22 T23S R36E Unit J shortly after injection, infiltrated into Lanexco, Inc. Well the El Paso State #1 Sec 22 T23S R36E producing from the Jalmat Pool (yates-seven rivers Formation). The perforated interval on this well is 3045' to 3548'. Conoco, Inc. and Lanexco, Inc. met with the Hobbs Oil Commission and the decision was made that Conoco would shut down the injection of its LLU #1 for Lanexco to test the El Paso State Well and shortly thereafter entered into Litigation.

After Litigation between Lanexco and Conoco was settled, Conoco agreed to pay certain damages without admitting blame and to plug their LLU #1 in July of 1992. Lanexco, Inc. has been pumping the El Paso State #1 from the date of water invasion to the present time of this letter.

Energen reentered the LLU # 1 in Jan. 2000 and replugged the well. In Feb. 2000 Energen drilled a replacement Well the Langlie Lynn Unit #23 approximately 300' west of Lanexco's El Paso State #1 Well. I believe the same invasion problem will result in this case causing Lanexco to again enter into Litigation.

Please contact me if you have any questions or need additional information.

Sincerely,



Robert W. Lansford, President

cc: Hobbs Oil Commission
Energen-Mr. Ken Gray