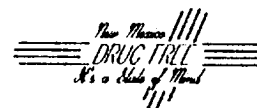




STATE OF NEW MEXICO  
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

June 17, 1992

Mr. Joel B. Burr, Jr.  
Basin Fuels, Ltd.  
P.O. Box 50  
Farmington, NM 87499

RE: Slick #1, O-07-20N-05W

Dear Mr. Burr:

The New Mexico Oil Conservation Division, as part of its Underground Injection Control authority, requires Basin Fuels to perform an MIT on the above disposal well once every five years. An MIT was due on this well March 13, 1991.

The mechanical integrity of the casing-tubing annulus is tested by submitting the annulus to a pressure of 300 psi for 30 minutes with less than ten percent bleed-off as outlined in Commission Rule 704. Basin Fuels is required to complete the MIT by August 15, 1992.

We require a 24 to 48 hour notice so that we may be present to witness testing. Basin Fuels, Ltd. will furnish personnel and equipment to complete the tests.

If you have any questions please feel free to contact this office.

Sincerely,

Dianna K. Fairhurst  
Deputy Oil & Gas Inspector

DKF/sh

XC: David Catanach-UIC Director  
UIC File  
DKF File  
Well File