



TONY ANAYA  
GOVERNOR

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

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

May 20, 1986

Mr. T. Greg Merrion  
Merrion Oil & Gas Corp.  
P.O. Box 840  
Farmington, NM 87499

Re: Canyon Largo Unit #125 M-09-24N-06W  
Chittum Penistaja #1 P-36-20N-05W

Dear Mr. Merrion:

Recent mechanical integrity tests and field inspections revealed that the referenced wells had no well signs. Additionally, the Canyon Largo Unit #125 lost 50 psi in 15 minutes during the mechanical integrity pressure test. It will be necessary to demonstrate mechanical integrity in this well before disposal commences. Copies of the tests are enclosed for your reference. In order to comply with NMOCD Rule 103 it will be necessary to post well signs for the refernced wells within 30 days.

Yours truly,

Carolyn J. Taplin  
Field Representative

CJT/dj

xc: Prentiss Childs  
Stephanie Johnson  
UIC File  
Well File  
Operator File