STATE OF NEW MEXICO

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

GARY E. JOHNSON GOVERNOR JENNIFER A. SALISBURY CABINET SECRETARY

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178 FAX: (505) 334-6170

Dugan Production Corp PO Box 420 Farmington NM 87499-0420

RE: Wells failing MIT

West Bisti Ut 113 J-19-26N-13W API 30-045-05749 West Bisti Ut 116 K-21-26N-13W API 30-045-05748 West Bisti Ut 135 K-26-26N-13W API 30-045-05663 West Bisti Ut 147 D-36-26N-13W API 30-045-05637

Dear John,

As per our conversation by phone you are directed to P&A or repair the above mentioned wells prior to May 15,1996 to bring them in compliance due to the failure of the mechanical integreity test. If I can be of any assistance feel free to notify me at the OCD office in Aztec.

Thank You,

Johnny Robinson

cc: Ben Stone Sante Fe UIC Coordinator