



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

September 21, 2001

Tom McCarthy
Robert L. Bayless
PO Box 168
Farmington NM 87499

Re: Navajo Tribal "N" 8, B-17-26N-18W, API 30-045-05883

Dear Mr. McCarthy:

In reference to the above mentioned well and the June 21, 2001 directive for you to initiate remedial activity before September 1, 2001. Your response dated September 5, 2001 implies you assume the gas that is pressuring up the casing above the packer is from the Pennsylvanian reservoir.

Your work-over report dated May 29, 2001 shows the casing below 2056' did not hold pressure. The casing not holding pressure from 2056' to the perforations at 6340' leaves 4284' of casing to consider. Reviewing Bayless wells in the area show other formation possibilities in the area ie, Chin 2890', Cutler 4290' Dech 4735'.

We are a conservation agency, while we do not want valuable resources to be left in place or lost, we do not want cross flow and contamination of any kind to take place.

Your request to not bring the well into compliance with the rules is DENIED. File the proper paperwork and bring the well into compliance with the Rules and Regulations before October 15, 2001.

If you have any questions, please call me at 505-334-6178, ext. 16.

Sincerely,

Charlie T Perrin
Deputy Oil & Gas Inspector
cperrin@state.nm.us

CTP/mk

Xc: BLM
CTP
Well File