AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178 Fax (505)334-6170

GARY E. JOHNSON GOVERNOR

JENNIFER A. SALISBURY CABINET SECRETARY

July 15, 1996

Dolores Diaz Meridian Oil Inc PO Box 7289 Farmington NM 87499

RE: Angel Peak B 24E, I-13-28N-11W, API #30-045-25531

Dear Dolores,

The above mentioned well is a Dakota-Gallup commingled well but the Chacra should be isolated with a packer between the Dakota-Gallup and the Chacra which requires a packer leakage test to show there is no communication between the Chacra and the commingled Dakota-Gallup zones. I am sending a copy of the 1995 packer test as a example.

Sincerely,

Johnny Robinson

Deputy O&G Inspector

JR/sh

cc: well file