

QUINTANA PETROLEUM SERVICES

601 JEFFERSON STREET-CULLEN CENTER

HOUSTON, TEXAS

(713) 651-9518

PLEASE ADDRESS CORRESPONDENCE TO:

P. O. BOX 3331

HOUSTON, TEXAS 77253

February 1, 1994

Mr. Charles Gholson
Deputy Oil & Gas Inspector
1000 Rio Brazos Road
Aztec, New Mexico 87410

*Copy made
5.1.94*

Re: Vanderwart A #16 (B-13-29N-08W)

Gentlemen:

On November 2, 1993 your office notified McKenzie Methane Corporation that referenced well was not in compliance with Rule #108. At the time of notification Quintana Petroleum Services was in the process of taking over operations of the well from McKenzie. On November 8, 1993 Floyd Boen and I called you to discuss this well. Since Quintana was just beginning to become familiar with the field operations it was agreed that any necessary remedial work could wait for ± 2 months weather permitting. Mr. Boen and I indicated that during the interim Quintana would tie-in the casing to sales thus lowering the pressure on the annulus to help alleviate the problem. This was successfully accomplished. In the meantime Quintana was in the process of preparing contracts for consulting services and workover rigs in order to repair the well.

As you probably know, at the current time Quintana is not the operator of the Vanderwart "A" #16. McKenzie Methane is recognized by your office as the operator of the well. Thus, at this time, we will be unable to repair the well. Should the situation change and Quintana becomes operator again we will continue with our plans for remedial work. Please advise if there is anything you would like for us to do in the meantime.

RECEIVED
FEB - 7 1994
OIL CON. D.

Very truly yours,

John W. Wessels
John W. Wessels
Alaco Project Manager

cc: Well File
Steve Sandlin
Floyd Boen
Dan Clark (McKenzie Methane)