AZTEC DISTRICT OFFICE 1990 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (805) 334-8170 Fax (805)324-8170

GARY E. JOHNSON GOVERNOR

JENNIFER A. SALISBURY CABINET SECRETARY

Certified: P-471-215-171

November 21, 1996

Pam Staley Amoco Prod Co PO Box 800 Denver Co 80201

RE: Gallegos Canyon Unit #306, I-19-29N-12W, 30-045-24286

Dear Pam:

The above-mentioned well was approved for injection into the Mesaverde and production through the casing from the Fruitland allowing us to monitor the tubing casing annulus for any packer or tubing leak. The Fruitland has been shut in and this has created significant noncompliance with OCD Rules and Regulations by not being able to monitor mechanical integrity.

You are hereby directed to return the Fruitland to production or squeeze the Fruitland perforations and run a mechanical integrity test before December 4, 1996. If I can be of any assistance in this matter feel free to call me at 505-334-6178. Notify the OCD in Aztec so we may provide a witness.

Sincerely,

Johnny Robinson

Deputy Oil & Gas Inspector

Johnny Rolinson

JR/sh

CC:

well file

UIC file

David Catanach, UIC Director, Santa Fe