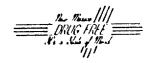


STATE OF NEW MEXICO



ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

BRUCE KING GOVERNOR ANTIA LOCKWOOD CABINET SECRETARY

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

July 1, 1993

Ms. Susan Dolan Meridian Oil Inc. PO Box 4289 Farmington, NM 87499

RE:

MOI Payne #2A, D-21-32N-10W (Tank Drain pit)

MOI Payne #2, K-21-32N-10W (Tank and Production Unit pit)

Dear Susan:

Field inspections conducted on June 30, 1993 by Ernie Busch revealed that the above mentioned pits have been cleaned out or replaced with an above grade fiberglass tank as per requested. The pits are now in compliance and no longer require C-134 variances.

If you have any questions please feel free to call this office.

Yours truly,

Sharma K. Dauchurst

Dianna K. Fairhurst Deputy Oil & Gas Inspector

xc:

Don Ellsworth - BLM Farmington

C-134 Correspondence

Well File