STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

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

May 17, 1990

Ms. Brenda Flaherty Meridian Oil Inc. P.O. Box 4289 Farmington, NM 87499

RE: Southland Royalty Co., Reid #20, A-19-28N-09W.

Dear Brenda:

The annual packer test on the referenced well indicates communication between the producible zones. In order to comply with Rule 112-A and the order authorizing the multiple completion, you are hereby directed to initiate immediate remedial activity.

Yours truly,

Charles Gholson

Deputy Oil & Gas Inspector

NMOCD

District III

CG:sh