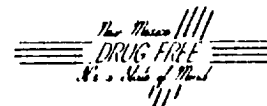




STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

November 10, 1992

Mr Jerry Loudermilk
Phillips Pet Co
5525 US HWY 64
Farmington NM 87401

RE: San Juan 29-5 Unit #10, 16-29N-05W

Dear Jerry:

The enclosed copy of the 1992 Bradenhead Test on the referenced well indicates communication between the intermediate casing and surface pipe. In order to comply with Rule 108, prevent waste and protect fresh water, you are hereby directed to initiate immediate remedial activity.

Yours Truly,

Charles Gholson
Deputy Oil & Gas Inspector

CG/sh

xc: Well File