STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

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

Garrey Carruthers Governor

September 13, 1989

Steve McCament Meridian Oil Inc. P.O. Box 4289 Farmington, NM 87499

Re: Bradenhead Inspection Survey

Dear Mr. McCament:

M. J. JINGOW

An inspection was conducted on September 8, 1989 of the bradenheads on a number of Meridian's wells. Of those wells that were tested two appear to have problems; Lucerne A #6 and Lucerne A #1A. Gas was detected using an explosive meter in the soil around the wellhead on the Lucerne A #6 location and our records show that the cement was not circulated on the 2 7/8" (slim hole). In addition to the above there is dead vegetation surrounding the location. Gas was also detected in the soil around the wellhead on the Lucerne A #1A location and our records show that cement was not circulated on the intermediate.

You are directed to re-enter the referenced wells and perform remedial action immediately. You must notify this office before you commence.

If you have any questions beforehand, please contact me at 334-6178.

Yours truly,

Ernie Busch

Ernie Busch Deputy Oil & Gas Inspector

EB/gb

cc: David Boyer File