STATE OF NEW MEXICO



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



BRUCE KING GOVERNOR July 6, 1994

ANITA LOCKWOOD CABINET SECRETARY

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

Ms. Tanya Atcitty Meridian Oil, Inc. P.O. Box 7289 Farmington, NM 87499

Re:

Meridian Oil, Inc.

San Juan 27-5 Unit #24-A I-32-27N-05W

Southland Royalty Co. Reese Mesa #6 J-10-32N-08W

Dear Tanya:

The 1994 Packer Leakage Tests on the referenced wells indicate communication between the producable zones. In order to comply with rule 112-A, you are hereby directed to initiate remedial activity prior to 01-07-95. The 1992 and 1993 tests on the Reese Mesa #6 also indicated zone communication. Letters were sent directing remedial action. We have had no reply from your office and apparently no action has been taken. I realize that packer/tubing leaks are probably not given top priority, however, as the subject well has been neglected for three years, stronger action will be taken if repairs have not commenced within the allotted time frame.

Yours truly:

Charles Gholson

Deputy Oil & Gas Inspector

a Pholan

CG/ej

xc well files