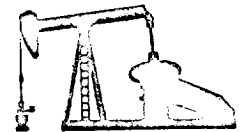




OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. DRAWER DD - ARTESIA
88210



DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO

STATE GEOLOGIST
EMERY C. ARNOLD

January 12, 1978

Paul Slayton
P.O. Box 1936
Roswell, NM 88201

Re: Diablo State
#1-P-16-10-27
Diablo State
#2-I-16-10-27
Chaves County, NM

Gentlemen:

On a recent field trip, I noticed your pit on the Diablo State lease pit was two-thirds full of water.

The #1 well was producing and the #2 well is TA'd when I inspected the lease. Your C-115 report for November shows both wells producing oil but no water.

Please send us the necessary reports to explain these discrepancies and explain why the pit is full of water when neither was reported as producing any water.

Your immediate attention to this matter will be appreciated.

Sincerely yours,

Mike B. Williams
Oil & Gas Inspector

MBW:sm