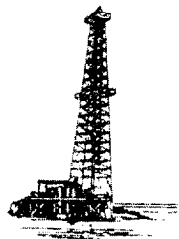


DEPCO, Inc.

Exploration & Production



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JUL 31 1980

File

O. C. D.

ARTESIA, OFFICE
ODESSA, TEXAS 79760

July, 1980

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JUL 31 1980

O. C. D.

ARTESIA, OFFICE

State of New Mexico
Energy and Minerals Dept.
Oil Conservation Division
P.O. Drawer DD
Artesia, New Mexico 88210

Re: Salt Water Spill
Mesa State Com.
#1-J-31-15-28
Chaves Co., New Mexico

Gentlemen:

Please be advised that during drilling operations on the DEPCO, Inc No. 1 Mesa State Com., located in the NW/4 SE/4, 1980' FS & EL, Section 31, Township 15S, Range 28E, a pressured zone at a depth of 1138 feet was encountered on June 5, 1980. This zone blew-out, flowing approximately 117,500 barrels of salt water into a dry lake area covering two acres of land.

Control of this flow was restored by changing blow-out preventors, drilling the intermediate hole to 1900 feet and setting 8 5/8" casing at this depth. After cementing, a cement bond log was run and did not indicate a satisfactory bond throughout. Plans are to perforate and squeeze cement before completion.

Salt water produced during this time was trucked and pumped to a salt lake some three miles east of this location. The salt residue will be scraped from the surface and hauled to this salt lake as soon as the area has dried sufficiently and the surface will then be ripped. A fire wall has been erected around the entire spill location to prevent any fresh water flowing into the contaminated area.

Very Truly Yours,

C. O. Bizzell
Production Superintendent

CO/vp