



TONEY ANAYA
GOVERNOR

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

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

May 20, 1986

Mr. T. Greg Merrion
Merrion Oil & Gas Corp.
P.O. Box 840
Farmington, NM 87499

Re: Canyon Largo Unit #125 M-09-24N-06W
Chittum Penistaja #1 P-36-20N-05W

Dear Mr. Merrion:

Recent mechanical integrity tests and field inspections revealed that the referenced wells had no well signs. Additionally, the Canyon Largo Unit #125 lost 50 psi in 15 minutes during the mechanical integrity pressure test. It will be necessary to demonstrate mechanical integrity in this well before disposal commences. Copies of the tests are enclosed for your reference. In order to comply with NMOCD Rule 103 it will be necessary to post well signs for the referenced wells within 30 days.

Yours truly,

A handwritten signature in cursive script, reading "Carolyn J. Taplin".

Carolyn J. Taplin
Field Representative

CJT/dj

xc: Prentiss Childs
Stephanie Johnson
UIC File
Well File
Operator File