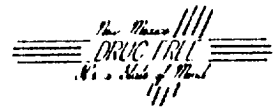




STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



BRUCE KING
GOVERNOR

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

July 22, 1992

Ms Kathy Zerbi
Meridian Oil Inc
PO Box 4289
Farmington NM 87499

RE: Jicarilla 117E #3, N-34-26N-03W
Jicarilla 117G #9A, C-33-26N-03W

Dear Kathy:

The 1992 Packer Leakage tests on the referenced wells were inconclusive. Please reschedule and retest the wells in such a manner as to prove zone separation. Shut both zones in for a minimum of 3 days. Flow the higher-pressured zone to the atmosphere for as long as it takes to reduce the pressure to below that of the lower-pressured zone.

In the case of the 117E #9A, the Mesa Verde side has traditionally had a 3 day shut in of less than 400 PSI. This year it was virtually the same as the Pictured Cliffs shut in at 509 PSI and 507 PSI respectively. This might indicate communication.

Please notify this office at least 24 hours prior to tests so that we may provide a witness.

Yours Truly,

Charles Gholson
Deputy Oil & Gas Inspector

CG/sh

xc: Well Files