AZTEC DISTRICT OFFICE 1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (806) 834-6170 Fex (806)324-6170

GARY B. JOHNSON GOVERNOR

JENNIFER A. SALISBURY CABINET SECRETARY

December 19, 1995

Ms Diane G Jaramillo
Giant E&P Co
PO Box 2810
Farmington NM 87499

RE: Water Injection Wells Failing Their MIT's

Dear Diane:

The following wells failed their MIT's when tests were conducted on October 18, 1995:

Carson Ut SWD 24 #1	B-24-25N-12W	30-045-13301
Carson Ut SWD 20 #4	C-20-25N-11W	30-045-05314
CBU WI #54	E-05-25N-12W	30-045-05556
CBU WI #13	A-08-25N-12W	30-045-05509
CBU WI #62	E-09-25N-12W	30-045-05490
CBU WI #78	N-06-25N-12W	30-045-25345

According to New Mexico Oil Conservation Division rules, any injection well failing its MIT will immediately be shut-in and not allowed to commence injection until repaired, retested or P&A'd. Also if wells are not brought into compliance within one year, the wells can lose their Permit to Inject and will have to be repaired and repermitted.

Diane, could you please send me by letter, what Giant's intention is on each of the referenced wells?

Please feel free to contact me at 334-6178 if you have any questions.

Sincerely,

Ernest Cardona

Deputy O&G Inspector

EC/sh

xc: Ben Stone, UIC Coordinator, Santa Fe

EC File Well Files UIC File