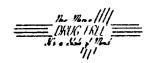


STATE OF NEW MEXICO



ENERGY, MINERALS and NATURAL RESOURCES DIVISION OIL CONSERVATION DIVISION

BRUCE KING

ANITA LOCKWOOD CABINET SECRETARY

AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD AZTISC, NEW MEXICO 87410 (500) 334-6170

June 17, 1993

Mr. Jimmy Smith Meridian Oil Inc. PO Box 4289 Farmington, NM 87499

RE: Howell D #2, L-29-31N-08W

Dear Jimmy:

The enclosed copy of the regularly scheduled 1993 bradenhead test on the referenced well indicates a small casing leak. In order to comply with Rule 108, Prevent Waste and Protect Fresh Water, you are hereby directed to initiate remedial activity.

Yours Truly,

Charles Gholson Deputy Oil & Gas Inspector

XC:

Well File