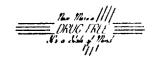
STATE OF NEW MEXICO



ENERGY, MINERALS and NATURAL RESCURCES DIVISION

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

BRUCE KING GOVERNOR ANITA LOCKWOOD CABINET SECRETARY

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (500) 334-6178

June 18, 1993

Chase Energy, Inc. % Action O&G 917 North Wall Farmington, NM 87401

RE: King Kong #5, L-04-30N-17W

To Whom It May Concern:

The New Mexico Oil Conservation Division, as part of its Underground Injection Control authority, requires all operators of Class II injection wells to perform an MIT once every five years. This office has no record of an MIT for the above mentioned well. An MIT is due on this well on or before December 15, 1993. Failure to comply will result in the termination of your authorization to inject.

The mechanical integrity of the casing-tubing annulus is tested by submitting the annulus to a pressure of 300 psi for 30 minutes with less than ten percent bleed-off as outlined in Commission Rule 704.

We require a 24 to 48 hour notice so that we may be present to witness testing. All testing schedules should be coordinated through Dianna Fairhurst at 505-334-6178. Chase will furnish personnel and equipment to complete the test.

If you have any questions please feel free to contact this office.

Sincerely,

Blanna K. Vauhuust

Dianna K. Fairhurst Deputy Oil & Gas Inspector

XC: David Catanach-UIC Director

UIC File Well File

Jim Walker-Navajo EPA