STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNCR

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

February 26, 1987

Basin Minerals, Inc. F.O. Drawer 419 Farmington, NM 87499

Bo: Federal #1 N-27-31N-11W

Dear Mr. Walsh:

The referenced well has been producing from the Fruitland formation without an approved C-104. The C-104 cannot be approved until the dedicated acreage has been consolidated as per rule 104.

You are hereby directed to shut-in the well until the C-104 is approved.

Sincerely,

Frank T. Chavez District Supervisor

FTC/dj

xc: Santa Fe

Well File

Operator File

EPG