



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
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Certificate #P-471-215-174

December 31, 1996

Texakoma Oil&Gas Corporation
Attn. Rodney Kiel
5400 LBJ Freeway Ste 500
Dallas TX 75240

RE: Fencing and Pit Closure Problems on the La Plata 4 #1, K-04-31N-13W, 30-045-29169 and the La Plata 8 #1, A-08-31N-13W, 30-045-29274 in San Juan County, New Mexico

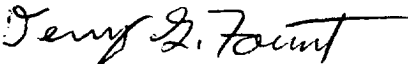
Dear Mr. Kiel:

The Texakoma Oil and Gas Corporation's La Plata 8 #1 has a lined reserve pit which has insufficient fencing to limit access by wildlife and livestock. There is a minor amount of trash which needs to be removed from the reserve pit. The Texakoma Oil and Gas Corporation's La Plata 4 #1 has an open lined reserve pit. The Oil Conservation Division encourages operators to close reserve pits when they are dry. Reserve pits at both locations need to be closed before they receive more winter moisture. Without closure, fences will be maintained in a manner sufficient to eliminate access by livestock and wildlife. The fencing is to be repaired at the La Plata 8 #1 by January 15, 1997.

A compressor installation offsets the La Plata 4 #1 well to the west in section 4-31N-13W. Williams Field Services has informed me this compressor belongs to Texakoma. This compressor needs a location sign. If the compressor is for more than one well, it will need a "Discharge Plan" from the Oil Conservation Division under Water Quality Control Commission Rules.

Please indicate who your local emergency response contact is for our records as we understand this condition has changed recently. Feel free to contact me at 505-334-6178 if you have questions

Yours truly,


Denny G. Foust
Environmental Geologist

XC: Johnny Robinson
Operator File
DGF File