STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

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

May 20, 1991

Ms. Brooke Eiche, Senior Engineer Hallador Petroleum Company 1660 Lincoln, Suite 2700 Denver, Co. 80264

Re: Storey #2 PC Well P-34-32N-11W

Dear Ms. Eiche:

Hallador Petroleum Company is directed to immediately enter the referenced well and commence remedial action to correct existing casing leaks and insure that the production casing annulus has a solid cement sheath into the surface casing, or in the alternative plug and abandon the well. This office must be notified twenty-four hours prior to any field operations.

If you have any questions, please contact me at 505-334-6178 or write to the letter head address.

Your,s truly,

Ernie Busch, District Geologist

xc: Farmington Resource Area

Operator file Well file