STATE OF NEW MEXICO

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

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

September 14, 1994

MS TANYA ATCITTY
MERIDIAN OIL COMPANY
PO BOX 7289
FARMINGTON NM 87401

RE: MERIDIAN OIL COMPANY

STANDARD OIL COM 1A E-36-29N-09W LLOYD A #3 H-09-29N-11W HOWELL D #2 L-29-31N-08W

SOUTHLAND ROYALTY COMPANY
VASALY FEDERAL #2 I-31-32N-11W

Dear Tanya:

The 1993 Bradanhead tests on the referenced wells indicated casing failures. Meridian Oil Co. was directed to initiate immediate remedial activity on each well. We have had no reply from you office and apparently no action has been taken. You are hereby directed to initiate remedial activity prior to December 14, 1994. Failure to comply may result in fines or allowable cancellations.

Yours Truly

Charles Gholson

Deputy Oil & Gas Inspector

CG/cs

xc: Well Files