STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

September 8, 1997

Paul Strickland KCS Medallion Reosurces Inc. 7130 South Lewis, Suite 700 Tulsa, Oklahoma 74136

Re: Vacuum 31 #1-0, Sec. 31, T16S, R35E

Dear Mr. Strickland:

An inspection was made on the above referenced producing well on July 3, 1997, and the information available indicated a possible casing leak, as evidenced by a strong vacuum on both the surface and intermediate casing.

We received a letter dated August 18, 1997, stating that your field personnel had checked and could find no problem with the well.

An inspection by the Oil Conservation Division field personnel on September 5, 1997, finds that the problem found on July 7, 1997, was still occurring.

As stated in the letter dated July 31, 1997, we request that you submit your proposal to repair the well, with the date you expect to begin repairs. This sundry notice (C-103) is to be received in this office no later than October 8, 1997.

Very truly yours

OIL CONSERVATION DIVISION

Chris Williams Supervisor, District I

CW:bp

cc: William J. LeMay File