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RECEIVED

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FEBRUARY 1, 1984
FARMINGTON, NEW MEXICO
FARMINGTON, NEW MEXICO AREA

December 30, 1983

Bureau of Land Management
Caller Service 4104
Farmington, NM 87499 AND

New Mexico Oil Commission
1000 Rio Brazos
Aztec, NM 87410

RE: Jicarilla Contract 363
B #5 Well

Gentlemen:

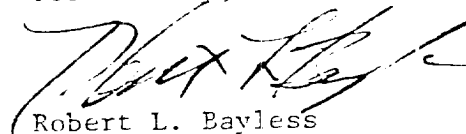
The above referred to Pictured Cliffs formation gas well is located directly offsetting the B #4 well as shown on the attached plat. This acreage is dedicated to Northwest Pipeline Corporation, however, because of the current national gas supply market they have refused to connect the B #5 well. The B #4 well is connected to their pipeline system.

I propose to lay 2-3/8" OD flowline from the B #5 well to the B #4 well and tie the two wells together ahead of the purchase meter. This will enable us to produce either well by itself or if the demand for gas should increase both wells could be produced simultaneously and production allocated between the wells based on their respective deliverabilities.

It should be pointed out that both wells are on the same base lease with the same operator so the Jicarilla Tribe cannot be adversely affected by this action, rather this will enable a shut-in well to be placed on production.

We hope this request, if allowed, will be a short term matter until the natural gas market improves so that the purchasing pipeline system will resume tying-in this type of well.

Yours truly,


Robert L. Bayless

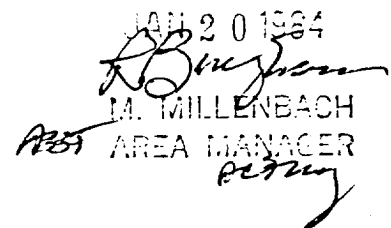
APPROVED
AS AMENDED

RLB/lb

Enc: Well Plat

cc: Jicarilla Apache Tribe, Dulce, NM
New Mexico Oil Conservation Commission, Aztec, NM

This approval expires December 31, 1984. On or before that date the Bureau of Indian Affairs will review the need for a temporary versus buried line.

JAN 20 1984

M. MILLENBACH
AREA MANAGER

OPERATOR

T 24 N 3 R 4

