

One United Bank Center  
1700 Lincoln Street, Suite 3413  
Denver, Colorado 80203  
303 832-6450

Subsidiaries:  
Dakota Resources, Inc.  
Orion Petroleum Limited

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FEB 20 1985

OIL CON. DIV.

DIST. 3

VALEX PETROLEUM INC.



February 12, 1985

VIA CERTIFIED MAIL - RRR

United States Department of the Interior  
Bureau of Land Management  
Caller Service 4104  
Farmington, New Mexico 87499

RE: Jeffrey-Federal #30-41  
Sec. 30, T17N, R9W  
McKinley County, New Mexico  
3100 (016), NM-15843-A  
ESC

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FEB 19 1985

BUREAU OF LAND MANAGEMENT  
FARMINGTON RESOURCE AREA

Dear Sir:

In response to your request regarding proposed plans for the above captioned well, Dakota Resources, Inc. respectfully requests an extension of its temporary abandonment status until March 1, 1986.

Dakota Resources, Inc. has recently completed a gas gathering, compression, dehydration and transportation system in Sections 28 and 29, T17N, R9W. As with most projects of this nature we have been ironing out the mechanical and logistical "bugs" and have recently added the second well to the system. Due to the high BTU value of this gas (1250 BTU average), Public Service Company of New Mexico formally, Gas Company of New Mexico (purchaser) has restricted sales to avoid increasing the BTU content of the gas stream and putting them in violation of their contract with certain communities downstream. Negotiations and economic analysis studies are progressing to possibly install a mechanical refrigeration unit to extract natural gas liquids and lower BTU value. Upon correction of all operating and volume problems Dakota Resources, Inc. anticipates hook up of the above captioned well in late summer or early fall 1985.

Presently Dakota Resources, Inc. is preparing a recommendation to its working interest partners to drill a well in the SE/4 Sec. 30, T17N, R9W. The proposed spud date is third quarter 1985.

APPROVED  
AS AMENDED

NMOCD  
Temporary Abandonment approved until  
October 1, 1985, at which time any  
developments and/or plans are due  
to this office

FEB 19 1985

*John A. Millenbach*  
John A. MILLENBACH  
AREA MANAGER

United States Department of the Interior  
February 12, 1985  
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We trust that you will find our request in order and that the extension will be granted.

If I can be of further help, please do not hesitate to call.

Yours very truly,

DAKOTA RESOURCES, INC.

*DME*  
D. M. Erickson  
Operations Manager

cmt