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FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

July 12, 1991

Mr. John L. Keller, Chief
Branch of Mineral Resources
U.S. Department of Interior
Bureau of Land Management
Farmington Resource Area
1235 Laplata Highway
Farmington, NM 87401

RE: 3162.3-4(019)
Lease NM 21454
Alamos Canyon Well #10, #11
Secs. 4 and 5, T1N., R. 6 W.
Sandoval County, New Mexico

RECEIVED
JUL 19 1991
OIL CON. DIV.
DIST. 3

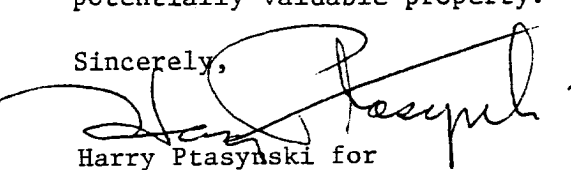
Dear Mr. Keller:

This is in reply to your letter of May 10, the requirements of which were extended to July 17, 1991.

The subject wells are currently shut-in gas wells. They were tested late last year, #10 shown to be a good Chacra producer and #5 and 11 being marginal. We are attempting to get a line into the area and hook up #10. If this well held up as indicated, #5 and #11 would be worked over inasmuch as their initial testing results and log characteristics were similar.

Our efforts to produce these wells are running into the current poor gas market and the obstacle of Indian rights-of-way. Nevertheless, we are actively pursuing this matter as we do not want to prematurely abandon a potentially valuable property.

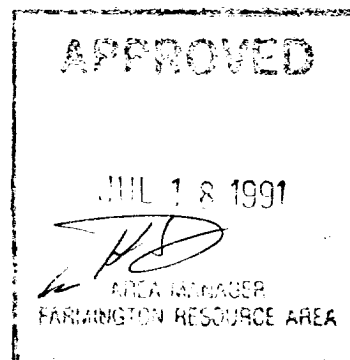
Sincerely,


Harry Ptasynski for
Nola Grace Ptasynski

THIS APPROVAL EXPIRES AUG 9 1 1992

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