P. O. Box 959 Farmington, New Mexico 87401

August 14, 1980

Mobil Producing TX & NM, Inc. 9 Greenway Plaza, Suite 2700 Houston, Texas 77046

Gentlemen:

Your sundry notices dated August 1, 1980, to flare gas from your well nos. 3 and 4 Jillson Federal, SWANG sec. 7, and SWANG sec. 8, T. 24 N., R. 3 W., Rio Arriba County, New Mexico, lease Santa Fe 080472 is hereby denied. I realize that you have had problems obtaining the necessary clearances for right-of-way, however the volume of gas to be flared is not acceptable. My recent conversations with you indicate there are other alternatives to obtaining a gas connection in this case, and they should be pursued.

Therefore, no gas venting will be allowed from these wells beyond the 60 days authorized in the application for permit to drill. We will cooperate with your attempts to install a lease line for these wells.

Sincerely yours,

James F. Sims District Oil and Gas Supervisor

Enclosure

cc: Well files (perm) (2)
NMOCC (2)
Chronological file

JFSims:lje

