

Hixon Development COMPANY

~~Carson Unit # 44-10 - I-13-25-12W~~
 Carson Unit # 43-13 - I-13-25-12W
 Carson Unit # 41-23 - A-23-25-12W

RECEIVED
 SEP 16 PM 3:56
 FARMINGTON RESOURCE AREA
 FARMINGTON, NEW MEXICO

September 14, 1988

Ron Fellows
 Area Manager
 Bureau of Land Management
 Farmington Resource Area
 1235 La Plata Highway
 Farmington, New Mexico 87401

Subject: Carson Unit Wells
 SF-078067 et. al. (WC)
 3162.3-2 (019)

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 SEP 22 1988
 OIL CON. DIV
 DIST. 3

Dear Mr. Fellows:

Reference is made to your August 16, 1988 letter concerning Hixon Development Company's plans for three wells located in the Carson Unit. These three wells are currently being reviewed as part of a Carson Unit waterflood and production study. The Carson Unit has 4.8 million barrels of remaining recoverable oil. To recover this oil, all existing wellbores will be needed as injection and/or producing wells. The study will include future plans to return additional wells to production and injection as the price of oil increases.

In addition to the waterflood study, we are also initiating a study of the Fruitland Coal in the Unit. This study is the first step in evaluating the Unit's untapped coal gas potential. The study will be followed by extensive testing of the Fruitland Coal using existing wellbores in the Unit.

Hixon Development Company requests that the Carson Unit No. 44-10, Carson Unit No. 43-13, and Carson Unit No. 41-23 be kept in a (shut-in status) until they can be used to recover available reserves.

APPROVAL EXPIRES SEP 16 1989

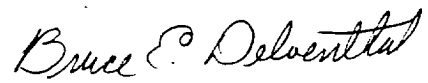
NMOC

John P. Kelly
 SEP 1 1988
 FARMINGTON RESOURCE AREA
 FARMINGTON, NEW MEXICO

September 14, 1988
Page 2

Please contact the undersigned at (505) 326-3325 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Bruce E. Delventhal".

Bruce E. Delventhal
Vice President - Operations

BED/das