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Ralph G. Abbott DBA Abbott Oil & Gas 3013 North 100 West Provo, Utah 84604

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30-045-23291

Mr. Stephen Mason United States Dept. of the Interior Bureau of Land Management 1235 La Plata Highway

Reference: Certified letter dated April 19,1994,NMNM-0338690(WC)

3162.3-2 (07337) Well# Federal Sec. 11, 28 N., 13 W., 11#3

San Juan County New Mexico.

OIL COM. DIV. DIST. 3

Dear Mr. Mason:

I am submitting this letter of explanation, according to our conversation on the telephone April 28, 1994, concerning the above referenced information.

This well can produce 100 to 200 MCF per day. Mechanically the well is sound. The well casing is cemented top to bottom. The well complies with B.L.M. requirements for a producing gas well.

The Federal 3-11 well is not producing due to the high line pressure. Line pressure on this well's gathering system for the past few years has been above 160 pounds psi. This well has 150 pounds psi, well head pressure. It will produce with a line pressure of 110 pounds psi, to 130 pounds psi. When the line pressure is above 150 pounds psi, this well will not produce.

I was contacted in August of 1993, by B.H.P. They are putting a compressor on the gathering system for this well. They have number of wells on the same gathering system that will not produce due to the high line pressure. Completion of the compressor would be in the last few months of 1994. This compressor will allow these wells to produce.

The Federal 3-11 is a commercial gas well. I want to produce this well as much as the BLM wants it to produce. Thank you very much for your consideration in this matter.

Sincerely,

Kalph & Ralph G. Abbott

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THIS APPROVAL EXPIRES

MAY 01 1995

APPROVED

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