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Snyder Oil Corporation

92 JUN 29 AM 11:47
019 FARMINGTON, N.M.

P.O. Box 2038
Farmington
(505) 6

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JUL 22 1992

OIL CON. DIV.
DIST. 3

June 26, 1992

U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico

Attn: John L. Keller

RE: Snyder Oil Long Term
Shut In Wells

Dear John,

The letter received on May 20th was lost during a change in management and was brought to my attention by a phone conversation with Wayne Townsend on June 25, 1992.

Following is a request for classification of long term shut in for the following wells:

- ✓(1) SOUTHERN UNION 2E - Lease No. SF078243.
Located in NW 1/4 Sec. 19, T31N, R12W, San Juan Co., N.M.
This well is unable to produce in paying quantities due to high volumes of produced water and the high cost of water disposal. The well is currently being evaluated for installation of pump, rods, pump jack and water disposal system. Time is required to evaluate when this well can be put back into production.
- ✓(2) CAIN 1 - Lease No. SF078464.
Located in NW 1/4, Sec. 25, T31N, R13W, San Juan Co., N.M.
Existing market conditions do not provide economics for change out of tubing and surface equipment. Time is required to evaluate when this well can be put back into production.
- ✓(3) WALZ 1 - Lease No. NM0702.
Located in SW 1/4, Sec. 31, T29N, R10W, San Juan Co., N.M.
Existing market conditions and high sales line pressures do not provide economics for change out of tubing and surface equipment. Time is required to evaluate when this well can be put back into production.
- ✓(4) COLLINS 1 - Lease No. NM0702.
Located in NW 1/4, Sec 31, T29N, R10W, San Juan Co., N.M.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

**APPROVED
AS AMENDED**

JUL 20 1992

AREA MANAGER

THIS APPROVAL EXPIRES JUL 01 1993

NMOCD

Page 2 - RE: SOCO Long Term Shut In Wells

Existing market conditions and high sales line pressures do not provide economics for change out of tubing and surface equipment. Time is required to evaluate when this well can be put back into production.

- (5) LINDA 1 - Lease No. I-149-IND-8469.
Located in SW 1/4, Sec. 31, T27N, R8W, San Juan Co., N.M.
Existing market conditions do not currently provide economics for re-stimulation of producing zones and purchase of production equipment. Time is required to evaluate when this well can be put back into production.

If you have further concerns or questions on this matter please call me at 632-8056.

Sincerely,

A handwritten signature in cursive script that reads "Chester L. Deal". The signature is fluid and written in dark ink.

Chester L. Deal
Superintendent