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**NASSAU**

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September 18, 1995

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United States Department of the Interior  
Bureau of Land Management  
Farmington District Office  
1235 La Plata Highway  
Farmington, New Mexico 87401

070 FARMINGTON, NM

Re: NMNM-28277 et al. (WC)  
3162.3-2 (07337)

Attention: Mr. Ken Townsend  
Chief, Branch of Drilling and Production

RECEIVED  
SEP 26 1995  
OIL CON. DIV.  
DIST. 3

Dear Mr. Townsend:

In reply to your letter of September 8, 1995, please be advised that the following wells were shut-in for economic reasons. The economics of these wells have not changed and it is planned to continue to keep the wells on a shut-in status.

These wells, as well as all wells in the Carracas Unit, are continually monitored to check site security, equipment integrity and pressures. The economics of returning the wells to production are calculated monthly. These wells are connected to a gathering system and are physically able to be returned to production when economics allow.

Nassau continues to keep abreast of technology improvements which might enhance the productivity of these wells and allow them to be economic wells. To date, nothing has been developed which will allow the wells to be produced economically at present gas prices.

All wells are located in T32N R04W, Rio Arriba County, New Mexico.

1. No. 1 (Arboles 29A), 1525' FSL & 1540' FWL Sec. 29 -32-4  
Lease NMNM-28277
2. No. 1Y (Arboles 20A), 1525' FSL & 750' FWL Sec. 20 -32-4  
Lease NMNM-28277
3. No. 3-20 B, 1170' FNL & 1480' FWL Sec. 20 -32-4  
*Carracas Ut*  
Lease NMNM-28277
4. No. 10-14 B, 1810 FSL & 2310' FEL Sec. 14 -32-4  
*Carracas Ut*  
Lease NMNM-28812
5. No. 5-21 B, 1655' FNL & 1185' FWL Sec. 21 -32-4  
*Carracas Ut*  
Lease NMNM-30014

THIS APPROVAL EXPIRES JUL 01 1998

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6. No. 11-13 B, 1830' FSL & 1730' FWL Sec. 13 - 32-4  
Lease NMNM-30584
7. No. 15-36 B, 1190' FSL & 1850' FEL Sec. 36 - 32-4  
Lease NMNM-30585
8. No. 1-24 B, 790' FNL & 990' FEL Sec. 24 - 32-4  
Lease NMNM-30585
9. No. 14-14 B, 790' FSL & 1820' FWL Sec. 15 - 32-4  
Lease NMNM-59696

If you have any further questions on these wells, please advise.

Yours very truly,



Gary J. Johnson  
Engineering Manager

*SI eff 7-1-98*