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determine the parting pressure and permeability of the formation. The temperature survey is recommended to insure the disposal water is staying within the Ojo Alamo formation.

If the disposal test indicates that the Ojo Alamo is a suitable disposal horizon, we plan to initially use only the Cahn Gas Com No. 3 for water disposal. At that time we will request approval for the completion of only the Cahn Gas Com No. 3 and the squeezing of only the three offset Mesaverde wells mentioned previously. At the present time, Amoco's disposal requirements may be met by a single disposal well and we feel the risk of losing the two Mesaverde wells offsetting the Keys Gas Com "F" No. 1 during the squeezing operations is not warranted at this time. If you are in agreement with the proposals set forth in this letter, please sign one copy and return to Amoco.

Yours very truly,



WRB/lw

Attachment

cc: G. J. Ross
Denver, Colorado

APPROVED: _____
BY: AR Kendrick
DATE: 3-6-79