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FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

May 22, 1990

Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, N.M. 87401

RE: NM-09979 et al. (WC)
3162.3-2 (019)

Dear Sirs:

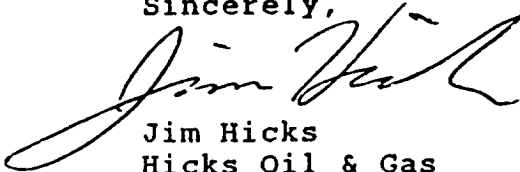
Reference is made to the following wells in the Southeast Cha Cha Unit, T. 28N., R. 13 W., San Juan County, New Mexico:

- ✓ 1. No. 35, SE/4NE/4 section 22, lease NM-09979 — H-22-28-13
2. No. 14, NW/4NE/4 section 16, lease SF-077968 — B-16-28-13
- ✓ 3. No. 16, SE/4NE/4 section 17, lease SF-077976 — H-17-28-13
- ✓ 4. No. 30, SE/4SE/4 section 15, lease NM-09979 — P-15-28-13
- ✓ 5. No. 31, NW/4NE/4 section 21, lease SF-077968 — B-21-28-13
- ✓ 6. No. 34, SE/4NW/4 section 22, lease NM-09979 — F-22-28-13
- ✓ 7. No. 17, SE/4NW/4 section 16, lease SF-077968 — B-16-28-13
- ✓ 8. No. 4, SE/4SW/4 section 9, lease SF-077968 — L-9-28-13

On March 9, 1990, Hicks Oil & Gas, Inc. submitted a 1990 Plan Of Development for the S.E. Cha Cha Unit. This plan was developed by the owners of the lease based on what the lease could support economically. Any added economic burdens such as additional well plugging and casing integrity tests will surely cause the unit to become uneconomical to operate.

An approved copy of the 1990 Plan of Development is attached for your review. It is respectfully requested that you let this plan remain as is.

Sincerely,


Jim Hicks
Hicks Oil & Gas

THIS APPROVAL IS FOR MAR 01 1991

JH/df

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JUL 16 1990

OIL CON. DIV. 1
DIST. 3

NM000

