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CERTIFIED RETURN RECEIPT REQUESTED P 552 312 366

JUN 15 1992

June 10, 1992

O. C. D.
ALBUQUERQUE OFFICE

State of New Mexico
Oil Conservation Division
Attention: Mr. Mike Williams
P. O. Drawer DD
Artesia, New Mexico 88211

Reference: Proposed Bradenhead Test for Water Disposal Well
June 17, 1992 1:00pm
Duncan Federal #1
Section 31: 1980 FNL & 660 FWL (Unit E)
Township 8 South, Range 28 East
Chaves County, New Mexico

Gentlemen:

Your office has requested that the subject salt water disposal well be prepared for a witnessed Bradenhead test at 1:00pm on Wednesday, June 17, 1992. We respectfully request that this appointment be cancelled.

The Duncan Federal #1 was completed in 1981 as an oil well; for several years it was a marginal producer from the San Andres formation.

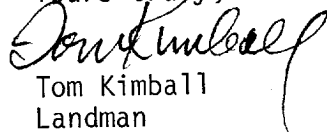
In July, 1989 permission to plug the well was approved by the BLM. However, due to the high cost of trucking water from a nearby well, Cibola proposed to convert the Duncan Federal #1 to salt water disposal in September, 1989. Permission was granted.

Except for a single attempt to dispose of water, the well has not been used for disposal purposes. The reason is that after gaining permission to dispose of water in the well, we found that necessary disposal pressures were much higher than anticipated. During recent months the entrance to the well has been blocked by a locked gate of an area rancher. Our plans for the Duncan Federal #1 are to plug it.

While our original application to plug the Duncan Federal #1 was submitted and approved by the BLM in 1989, we are submitting a renewed application to them at this time, and enclose a copy of same with this letter.

We would appreciate your confirmation of our request for the cancellation of the June 17th appointment by calling our office in Albuquerque at (505)-843-6762.

Yours truly,


Tom Kimball
Landman

Enclosure