



SANDERS OIL & GAS COMPANY

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May 10, 1993

**Energy, Minerals and Natural Resources Department
Oil Conservation Division District II
Drawer DD
Artesia, NM 88210**

**Reference: Cannon (A) Comm. #1 (Undesignated Abo)
John P. Cannon et al, Lessors
Section 18, Township 10 South, Range 25 East
Chaves County, N.M.**

Gentlemen:

In response to your earlier requests regarding our disposition of the subject well and lease.

This lease has, by it's own shut in terms, terminated. The nearest pipeline connection is the Enron high pressure main transmission line about 2+ miles to the west. The expenditure of constructing a line and installing a compressor could not be justified in consideration of the marginal potential of this well coupled with the present and expected low natural gas prices.

We respectfully request that your office advise us as to the appropriate procedures to follow in plugging and abandoning the subject well.

If you have any questions, please contact us.

Respectfully,

**C. W. Sanders
Owner**