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C.A.R.
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OCD - Artesia

GEORGE D. RIGGS
P. O. Box 116
Carlsbad, NM 88220
August 19, 1990

AUG 23 '90
C. C. D.
ARTESIA, OFFICE

Mr. Shannon J. Shaw
US Department of the Interior
Bureau of Land Management
Carlsbad Resource Area Headquarters
P. O. Box 1778
Carlsbad, NM 88220

RE: Welch Fed #1 & #3 Wells
& BLM Letter of 7/26/90

Dear Mr. Shaw:

I am in the process of obtaining a buyer for the above wells along with the Welch #6. Since there is possibility and opportunity for producing all the wells of the lease, including these in Temporary Abandonment (TA), I respectfully request a waiverance and extension of your letter's thirty days for filing a program of testing the downhole equipment. This will allow potential buyers the opportunity to adequately assess and provide you with their own program of testing/plugging.

Presently potential purchasers are looking at the possibility of drilling another well location, either for production or water disposal. The location and operation of a water disposal well would effect the economics of either producing the #1 and #3 Welch Wells or plugging same. The casing testing, accompanying production and/or plugging can best be undertaken simultaneously. If a lease purchaser cannot be found in a reasonable time, I will undertake to comply with the BLM July 26, 1990 letter requests without potential purchaser consideration.

Sincerely,

George D. Riggs
George D. Riggs

APPROVED FOR ³ MONTH PERIOD
ENDING 11/21/90

Shannon J. Shaw, 8/21/90
Petroleum Engineer