

**J. W. MULLOY ASSOCIATES, INC.**

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J. W. MULLOY  
President

HUDSON FOLLO  
Vice President

July 31, 1995

Mr. Tim Gum,  
State of New Mexico  
Oil Conservation Division  
P.O. Drawer DD  
Artesia, New Mexico 88211

RE: Abandonment  
El Paso Natural Gas Co.  
"O" Federal # 2  
Unit G, Sec 27, T-25-S, R-24-E  
Eddy Co, New Mexico

Dear Mr. Gum,

Attached are Sundry Notices on the captioned well indicating what has been done to date and outlining proposed plugging procedure.

As you know work has been in progress on this well for sometime with very little success realized. This results from the problems created by the loss circulation zone, believed to be in Bone Springs Formation, and the gas charged interval, probably around 1000'. It is believed that work has reached the point that nothing else can reasonably and prudently be done that will get this well to a point where a normal abandonment procedure can be carried out.

Various methods and procedures have been conducted and approximately \$285,000 spent in an effort to repair this well. Since little or nothing has been accomplished, it is our intent to abandon the well.

If the well is plugged as is outlined on the attached Sundry Notices and as is illustrated in the Schematics, it is believed that this procedure would be superior to the normal abandonment procedure.

Since it is El Paso Natural Gas Co.'s desire to terminate this operation as soon as possible your attention to this matter would be appreciated and should you desire additional data, please contact me at 915/687-0323.

Yours very truly,  
J.W. MULLOY ASSOCIATES, INC.

J.W. MULLOY

CC: Shawn Shaw  
Enclosures  
JWM/bh