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September 14, 1988

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Ron Fellows
Area Manager
Bureau of Land Management
Farmington Resource Area
1235 La Plata Highway
Farmington, New Mexico 87401

Subject:

Carson Unit Wells

SF-078067 et. al. (WC)

3162.3-2 (019)

RECEIVE

SEP 2 2 1988

OIL CON. DIV

Dear Mr. Fellows:

Reference is made to your August 16, 1988 letter concerning Hixon Development Company's plans for three wells located in the Carson Unit. These three wells are currently being reviewed as part of a Carson Unit waterflood and production study. The Carson Unit has 4.8 million barrels of remaining recoverable oil. To recover this oil, all existing wellbores will be needed as injection and/or producing wells. The study will include future plans to return additional wells to production and injection as the price of oil increases.

In addition to the waterflood study, we are also initiating a study of the Fruitland Coal in the Unit. This study is the first step in evaluating the Unit's untapped coal gas potential. The study will be followed by extensive testing of the Fruitland Coal using existing wellbores in the Unit.

Hixon Development Company requests that the Carson Unit No. 44-10, Carson Unit No. 43-13, and Carson Unit No. 41-23 be kept in a shut-in status until they can be used to recover available reserves.

*** PROVAL EXPIRES SEP 16 1989

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