

Hixon Development

COMPANY

SEP 16 1988 0:55

RECEIVED
FARMINGTON NEW MEXICO

September 14, 1988

MINERALS BRANCH	
BRANCH CHIEF	_____
SOLIDS	_____
FLUIDS O&P	1/_____
FLUIDS I&E	_____
FSM	_____
I & E-E	_____
I & E-W	_____
ALL SURV	_____
FILED	_____

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

Subject: Carson Unit Wells
SF-078064 et. al. (WC)
3162.3-2 (019)

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OIL CON. DIV.
DISC. 2

Dear Mr. Fellows:

Reference is made to your letter dated August 15, 1988 concerning Hixon Development Company's plans for eight wells located in the Carson Unit. The Carson Unit Well No. 34-18 is currently awaiting approval from the New Mexico Oil Conservation Division and the Bureau of Land Management to be used as a gas storage well. Upon final approval for this project, work will be commenced to convert the well to a gas storage well.

Hixon Development Company plans to return the Carson Unit Well No. 34-19 to production. A Sundry Notice of intent to return the well to production will be forthcoming.

The remaining six wells addressed in your letter are currently being reviewed as part of an in-depth Carson Unit waterflood and production study. Included in the study are future plans to return additional wells to production and injection as the price of oil increases. With 4.8 million barrels of remaining recoverable oil in the Carson Unit it is important that all existing wellbores be kept available for use as injection and/or producing wells for future waterflooding and enhanced recovery operations.

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 testing of the Fruitland Coal using existing wellbores in the Unit.

THIS APPROVAL EXPIRES

SEP 10 1989

John E. Kelly

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Hixon Development Company requests that the last six wells discussed, which are listed below, be kept in their current status until they can be used in the recovery of available reserves.

Carson Unit Well No. 31-13
Status: (TA)

B- 13-25N-12W SF-C78064 ✓

Carson Unit Well No. 33-14
Status: (TA)

D- 14-25N-12W SF-C78067 ✓

Carson Unit Well No. 44-13
Status: (TA)

P- 13-25N-12W SF-C78064 ✓

Carson Unit Well No. 33-15
Status: OSI as requested by BLM

J- 15-25N-12W NW1 C-70322 ✓

Carson Unit Well No. 12-18
Status: OSI as requested by BLM

E- 18-25N-11W 14-20-603-1284 ✓

Carson Unit Well No. 41-19
Status: OSI as requested by BLM

A- 19-25N-11W SF-078063 ✓

Please contact the undersigned at (505) 326-3325 if you have any questions.

Sincerely,



Bruce E. Delventhal
Vice President - Operations

BED/das