

P. O. Box 959
Farmington, New Mexico 87401

February 11, 1980

Walsh Engineering and Production Corporation
P. O. Box 254
Farmington, New Mexico 87401

Dear Mr. Walsh:

Reference is made to your applications for approval to flare associated gas produced from lease 14-20-603-5019 wells number 1 and number 4 Navajo Tocito, located in unit letter G, section 9, and unit letter L, section 10, T. 26 N., R. 18 W., San Juan County, New Mexico. Please be advised that it is necessary that you submit a plat of the area showing the location of the nearest possible sales point for the gas and an economic analysis of any possible pipeline or flowline that could be installed. Your economic data should also include the estimated value of the gas produced pursuant to NGPA pricing provisions.

Our records indicate that gas is being sold from Mobil Oil Corporation's well number 3, SW $\frac{1}{4}$ SE $\frac{1}{4}$, section 9, T. 26 N., R. 18 W., approximately one half mile distant from the same lease.

Your complete application, including the requested information should be submitted to this office within 30 days from the date of this letter.

Sincerely yours,

James F. Sims
District Oil and Gas Supervisor

cc: Chronological file
 NMOCC - Aztec
 SRMA - Albuquerque
 Lease file - 14-20-603-5019
 Suspense . 8, 1980

JFSims:clh

