



SANDERS OIL & GAS COMPANY

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May 10, 1993

**Energy, Minerals and Natural Resources Department
Oil Conservation Division District II
Drawer DD
Artesia, NM 88210**

**Reference: Cannon et al #2 (Pecos Slope Abo Gas, South)
John P. Cannon et al, Lessor
Section 27, Township 10 South, Range 25 East
Chaves County, N.M.**

Gentlemen:

In response to your earlier requests regarding our disposition of the subject well and lease.

This lease has, by it's own 5 year limit shut in term, terminated. The nearest pipeline connection is the Enron high pressure main transmission line across the Pecos River about 4+ miles to the west. The expenditure of constructing a line, installing a compressor could not be justified in light of the low natural gas prices.

We respectfully request that your office advise us as to the appropriate procedures to follow in plugging and abandoning the subject well.

If you have any questions, please contact us.

Respectfully,

**C. W. Sanders
Owner**