



Michael G. Cowley
Representative, Business Development

Amoco Pipeline Company

Southwest Business District

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April 30, 1999

Certified Mail - Z 557 886 744

*District I
Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88240
Attn: Ms. Donna Pitzer*

Re: Pending Pipeline Disconnection - Lea County, NM

Amoco Pipeline Company intends to disconnect its pipeline gathering system from the following leases:

<u>Lease Name</u>	<u>Operator</u>	<u>Volume (b/d)</u>	<u>Lease Type</u>	<u>Agency Lease No.</u>	<u>APL Lease No.</u>
<i>Ainsworth</i>	<i>Saga Petroleum</i>	<i>60</i>	<i>Oil</i>	<i>2060110</i>	<i>10325</i>
<i>Midwest "E"</i>	<i>Saga Petroleum</i>	<i>< 5</i>	<i>Oil</i>	<i>2067010</i>	<i>10326</i>
<i>State L</i>	<i>Saga Petroleum</i>	<i><5</i>	<i>Oil</i>	<i>2069510</i>	<i>10324</i>

The leases will be disconnected from Amoco Pipeline's Bagley Gathering System on June 1, 1999. Per my discussion today with Saga Petroleum's Mark Caldwell, the operator has been notified of the disconnect. Per my discussion with Amoco Production Company's James Pinchback the current purchaser has also been notified. If you have any questions, please let me know.

Sincerely,

M. G. Cowley

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*Mark Caldwell - Saga Petroleum
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