



Coastal Oil & Gas Corporation
a subsidiary of The Coastal Corporation

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November 13, 1984

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Re: State "31" No. 4
Baum (U. Penn.) Field
Lea County, New Mexico

Dear Mr. Sexton:

Coastal Oil & Gas Corporation recently drilled the State "31" #4, a 10,000' test in Section 31, T-13-S, R-33-E in Lea County. The well was spudded on September 3, 1984, and TD was reached on September 28, 1984. The well was evaluated to be a dry hole, but, in lieu of plugging the well, we obtained verbal permission to temporarily abandon the well while studying the feasibility of deepening the well to the Devonian.

Our geologic and economic evaluations are not quite complete on the deepening possibility, thus, we respectfully request a 60-day extension of the temporary abandonment of this well. Original permission to shut the well in temporarily was obtained on September 28, 1984, and this 60-day period will expire toward the end of this month. We feel like an additional 60 days will give us enough time to fully evaluate the prospect and approach our management with our recommendation.

Please feel free to contact me about any matter concerning this proposal. We hope to get things rolling on this matter soon. A Form C-103 concerning this matter is attached.

Sincerely,

B. L. Smith
Petroleum Engineer

BLS:eh
Attachment