

well file

ENGINEERING & PRODUCTION SERVICE, Inc.

P. O. BOX 190 -:- PH. 325-1924

FARMINGTON, NEW MEXICO 87401

March 25, 1975

Basin Fuels, Inc.
152 Petroleum Center Bldg.
Farmington, New Mexico 87401

Att: Mr. Joel Burr

Re: Coleman # 2
C-8-17N-8W
Lone Pine Dakota "D" Pool
McKinley Co., New Mexico



Dear Mr. Burr:

Pursuant to your request, I contacted Tesoro Petroleum regarding gas injection facilities to accomodate gas flared from the Coleman #2. Bob Watson, Tesoro's local representative, advises that they do not have a facility for it's own use nor for outside companys'. Most of Tesoro's produced gas is disposed of via fuel use or sales to Tenneco Oil Company. Tesoro does have excess gas which they are not able to find a market for at this time. Tesoro, as yourself, is waiting on Tenneco to increase it's gas injection facility on the Lower Hospah to accomodate all excess casing head gas in the area. Tenneco is pursuing the project but no firm date has been set for start up or completion.

I believe it would be in order under the circumstance to request an extension of the no-flare order from the NMOCC.

Should you desire further information concerning this matter, please advise.

Yours very truly,

Jack D. Cook

JDC:ig

cc:Emery Arnold-NMOCC