

well  
file

AREA CODE 505  
983-1228

**BCO, Inc.**  
OIL WELL OPERATOR  
AND  
TRUCKING DIVISION  
P. O. BOX 669  
SANTA FE, N. M. 87501

July 16, 1976

New Mexico Energy Resources Board  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

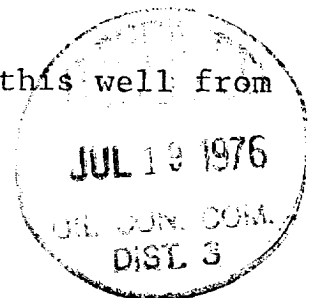
Pursuant to New Mexico Oil Conservation Commission Memo No. 2-75, dated June 16, 1975, we wish to advise you of the following completion:

1. Our Dunn #2, located on Federal Lease SF-078272, the precise location of which is 2070' FNL 2260' FWL, Section 10, T. 23 N., R. 7 W., N.M.P.M., is producing from the Greenhorn, Upper Graneros, Lower Graneros and Upper Dakota formations. The well has not been potentialized yet but it is currently producing 10 bbls. of water, 2 bbls. of oil and 220 MCF per day.

The oil is presently being sold to Bco, Inc. who, in turn, resells the oil to Shell Oil Company at a LACT unit we own at Apache Junction. Bco's contract with Shell provides for a 30-day notice of cancellation; however, it is our understanding of present Federal regulations that it is difficult to change crude oil purchasers.

The gas is presently being vented. We have contacted Northwest Pipeline, Southern Union and El Paso Natural Gas to see if any of them are interested in purchasing the gas. They have all advised us that they want certain productivity tests run before they can economically decide if they want to negotiate a contract with us. We are presently cleaning up the well and hope to be able to test the well to their satisfaction about August 1, 1976. We will advise your Board of our intention to sign a gas contract at least five days prior to the time we actually sign it, and will let you know at that time what options were available to us, if any, and why we chose the one we did.

We are attaching a summary of work performed on this well from March 16, 1976 to June 9, 1976 for your records.



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If you need any further information, please let me know.

Very truly yours,

*Harry R. Bigbee*

H. R. BIGBEE  
President

HRB:dl

Enclosure

cc: NMOCC  
✓ 1000 Rio Brazos Road  
Aztec, New Mexico 87410

U.S.G.S,  
Post Office Box 1809  
Durango, Colorado 81301

