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Certified Professional Geologist • 1121  
Petroleum and Mineral Evaluation and Management

U.S. Bureau of Land Management  
Minerals Management Service  
Att'n. Area Manager  
Caller Service 4104  
Farmington, N.M. 87401

RECEIVED

July 11, 1984

JUL 16 1984

OIL CON. DIV.  
DIST. 3

JUL 11 1984

RECEIVED  
MAY 1984

Re: Bolack Minerals Company Application  
to Continue Venting Oil Well Gas  
from the #1 Gallo Canyon Gallup-  
Dakota Well, SW $\frac{1}{4}$  NW $\frac{1}{4}$ , Sec. 13,  
T23N-R6W, Rio Arriba Co., N.M.  
Federal Lease NM-067612

Dear sir,

The above-cited well was completed and first produced on June 13, 1984, as an oil well initially making 36 bbls. oil/day, 107 MCFPD and 90 bbls. of frac water. The well has been intermittently pumped since that date and continues to produce frac water used in stimulating the well, although the amount is diminishing.

An official gas-oil ratio test was completed and filed with the New Mexico Oil Conservation Division on July 3, 1984, with the well making 40 bbls. oil, 86 MCFPD and 25 bbls. frac water on a 24 hr. test. The GOR is 2150 cu. ft. per bbl.

Bolack Minerals Co. has been venting the gas to the atmosphere during this initial well evaluation period under the authorization of NTL 4-A, section III-C. The initial testing period expires on July 13, 1984, and Bolack Minerals hereby requests authorization to continue venting of the gas produced under provisions of NTL 4-A, section IV-B, with written approval of the Supervisor, under provisions of section (2) for the following reasons:

A) Bolack Minerals Co. has joined a partnership effort in building a pipeline gathering system called the Gallo Gathering System to gather casinghead gas from nine wells in the Counselor Gallup-Dakota pool which are not now tied into a gathering system. This system will be tied to an existing El Paso Natural Gas Co. system and gas produced will be sold to Northwest Pipeline Corp. under an existing gas exchange agreement. The pipe for the Gallo Gathering System has been installed to the #1 Gallo Canyon well, the metering system is to be installed within the week and Bolack Minerals is presently negotiating with Northwest Pipeline for a gas purchase contract for purchase of the casinghead gas from the well. It is anticipated that gas from the well will be sold well within the one-year time period allotted for a plan of action as provided for in NTL 4-A, IV-B (2).

B) The well continues to produce appreciable volumes of frac water used in stimulating the well. It is estimated that approximately 64% of the water introduced into the well during stimulation have been recovered to date. The recovered water has been tested to determine that it is indeed introduced water and not formation water. As it is important that as much as possible of the

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frac water be recovered as soon as possible to prevent formation damage to the oil reservoir, it is prudent practice to continue producing the well steadily during this recovery period.

For these reasons Bolack Minerals Co. requests that they be allowed to continue venting the gas produced from the #1 Gallo Canyon well until such time as the gas pipeline system being installed is completed and gas sales to Northwest Pipeline are effected.

Very truly yours,



William R. Speer, Agent for  
BOLACK MINERALS COMPANY

cc. T. Bolack  
R. Tully, Attorney  
F. Chavez, NMOCD, Aztec

*Not to exceed 1 year*  
**APPROVED**

JUL 1 1994  
*for John H. H. H.*  
AREA MANAGER