OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

September 13, 1966

Bco, Inc.
1012 Tierra Drive
Santa Fe, New Mexico 87502

Attn: Mr. Harry R. Bigbee

Dear Sir:

I received your letter of August 29 relative to work which you wish to perform on your Federal #1 well located in Section 27-24N-7W.

After studying your proposal I discussed the matter with our Santa Fe Office and it was decided that under our rules the District Supervisor is not given authority to approve commingling of separate zones, even for a testing period such as you have suggested. I am, therefore, going to refer you to our Chief Engineer, Dan Nutter in Santa Fe. It is possible that Mr. Nutter will want to schedule a hearing for the consideration of your request.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ks

cc: Dan Nutter
OCC, Santa Fe, N.M.

AREA CODE 505
982-1401

1012 TIERRA DRIVE

BCO, Inc.

OIL WELL OPERATOR
AND
TRUCKING DIVISION

HARRY R. "BOB" BIGBEE
VICE PRESIDENT

SANTA FE, N. M. 87502

JAY A. FLINT
FIELD SUPERINTENDENT

August 29, 1966

Mr. Emery Arnold
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

Dear Mr. Arnold:

The purpose of this letter is to confirm our conversation of Friday August 26,1966, indicating the possible work we intend to do on our Federal 1-27 Well located in Section 27 T24N R7W.

This well is currently producing about 9 barrels of oil a day from the Gallup Formation with perforations being from 5700-5713 and 5759-5768. We intend to open the Graneros Formation in this well by perforating through the 7" casing set at 6954 and cemented above the Gallup., from 6516-6530 and 6548-6554.

We would appreciate recieving temporary administrative approval from the Oil Conservation Commission to co-mingle the Graneros production with the Gallup for a period of 30 days to determine the producing potential of the Graneros and to accumulate data to present a t a oil hearing if it is determined that the economics of the well will not justify a duel completion.

We feel that this approval would help prevent waste in that the Gallup Formation in this well is getting very marginal and if we get production out of the Graneros it possibly might extend the wells economic life.

Very truly yours,

Harry R. Bigbee

Harry R. Bigbee

HRB: