

sell
file

BCO, Inc.

OIL WELL OPERATOR
AND

TRUCKING DIVISION

P. O. BOX 669

SANTA FE, N. M. 87501

AREA CODE 505
983-1228

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 Federal 1-22 #2 well, located on Federal Lease NM-14925, the precise location of which is 790' FSL 790' FWL of Section 22, T. 24 N., R. 7 W., N.M.P.M., is producing from the Gallup formation and first produced oil and gas on May 5, 1976. The well potentialed on May 25, 1976 with 25 bbls. of oil and 75 MCF. It is currently producing 15 bbls. of oil and 60 MCF a 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 sold to El Paso Natural Gas Company through a low pressure gas gathering system operated by Bco, Inc. The acreage was dedicated to El Paso by supplemental gas purchase agreement of May 12, 1972 to our December 7, 1959 contract.

We are attaching a summary of work performed on this well from March 16, 1976 to May 25, 1976 for your records.

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

Very truly yours,

Harry R. Bigbee

H. R. BIGBEE
President

HRB:dl

cc: NMOCC

1000 Rio Brazos Road
Aztec, New Mexico 87410

U.S.G.S.

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Durango, Colorado 81301

