

ROBERT L. BAYLESS

P. O. BOX 168
FARMINGTON, NM 87499

P-1-25N-8W

FAX NO. (505) 326-6911

03/06/1996 12:50 PM

March 6, 1996

RECEIVED
MAR 13 1996
CON. DIV.
DIST. 3

GENERAL DIVISION
NO. 1 <i>JK</i>
FILED
GROUP
RULES & REG.
RES. MGMT.
PLANNING
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ALL SUPV.
FILED

OFFICE NO.
(505) 326-2659

Mr. Ken Townsend
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

RE: BOLACK NO. 2
SE/4, SECTION 6, T25N, R7W
RIO ARRIBA COUNTY, NM

Dear Mr. Townsend:

Please refer to your letter dated February 13, 1996, concerning long term shut in approval for the subject well. Bayless requests that long term shut in status for the subject well be renewed for another year, and that the casing integrity test requirement be waived.

Bayless acquired its' interest and operatorship of the Bolack No. 2 in January, 1996. We have not owned this well long enough to evaluate it. Given the business environment we are experiencing, a year will be required to accomplish this evaluation and to hopefully allow for an improvement in gas prices. We believe that the bottom hole pressure in this well is approximately 200 PSI. Given this low pressure and the somewhat low permeability of the Pictured Cliffs Sandstone, its' ability to flow into a shallow zone, assuming there was a casing leak, is limited. It is reasonable to waive the casing integrity test requirement under these circumstances.

Your approval of long term shut in status and waiver of the casing integrity test requirement will be appreciated. Please call me if you wish to discuss this matter.

Sincerely,

Tom McCarthy
Petroleum Engineer

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

THIS APPROVAL EXPIRES JAN 01 1997

APPROVED

MAR 11 1996

Dr. ...
DISTRICT MANAGER