

SUITE 200, BOKUM PLAZA  
POST OFFICE BOX 669  
SANTA FE, NEW MEXICO

BCO, INC.

May 8, 1964

PHONE 982-1847

AREA CODE 505

Mr. A. L. Porter  
Secretary Director  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

On behalf of Harry L. Bigbee and Harl D. Byrd, BCO, Inc. is writing this letter to notify you that they propose to drill a well 1980 feet from the West line and 2310 feet from the North line in Section 12, T24N, R8W.

It is my understanding that the rules for the Escrito-Gallup Oil Pool provide that a well may not be drilled closer than 790 feet to any quarter section line and no nearer than 330 feet to a Governmental quarter/quarter section line, unless the Secretary-Director shall grant an unorthodox location.

Upon making application to the Secretary-Director for an unorthodox location, it is my understanding that applicants shall furnish all offset operators and all operators within the section in which the subject well is located a copy of the application to the Commission and the applicant shall include with his application a list of the names and addresses of all such operators together with a stipulation that proper notice has been given said operators at the addresses located. The only possible offset operator would be Noel Reynolds who has a well located in Section 11; however, his well is located more than one-half mile from the proposed unorthodox location and has not been furnished a copy of this application.

All other wells located in this section are operated by BCO, Inc. and owned by Harry L. Bigbee and Harl D. Byrd, who likewise are the owners of all of Section 12. Based upon this unorthodox location which appears to me will not affect any other acreage other than the wells owned by ourselves, we would appreciate your immediate approval of this unorthodox location, ignoring the 20-day waiting period as provided in the rules of the field if it is at all possible and you approve of the unorthodox location. You will note that under your rules no person is entitled to notice in regard to this application.

The purpose of drilling this well is that we plan to use it as an injection well in a pressure maintenance program which we hope

Mr. A. L. Porter

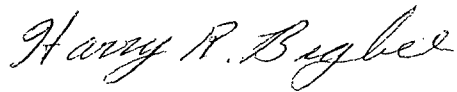
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to have in operation by October 1, 1964. We have not at this time determined the perimeters or signed an operating agreement with the other operators, nor do we feel that we can do same, until this well is drilled and can be logged.

We would very much appreciate your immediate approval of this unorthodox location.

Very truly yours,

A handwritten signature in cursive script that reads "Harry R. Bigbee".

Harry R. Bigbee  
Vice President

HRB/cs