

September 7, 1965

Mr. A. L. Porter
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

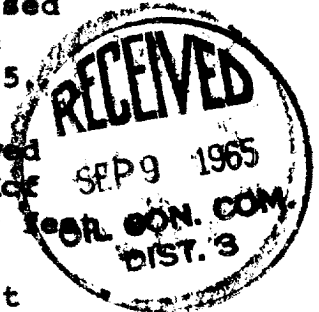
Re: Nancy B No. 1
W/2 NE/4 Section 14
T-23N, R-7W
Lybrook-Gallup Pool
Rio Arriba County, N. Mex.

Dear Mr. Porter:

Controlling interest in the above-referenced well has been recently purchased from Mr. Harry L. Bigbee. Bco, Inc., as previous operator of the well, had in effect an exception to the no-flare provisions of the Lybrook-Gallup Oil Pool Rules. We have been advised by the District Office of the Commission that the authorization to flare gas expired August 31, 1965.

A gas-oil ratio test taken on August 29 showed the well to produce 8.3 barrels of oil and 10.2 Mcf of gas per day for a gas-oil ratio of 1,244 cubic feet per barrel. The low gas volume prevents economic gathering and compression of the gas. The nearest compression facilities are approximately seven-tenths of a mile from the well. Revenue derived from sale of gas would be less than the increased operational costs for gathering the gas, and a return of the capital expenditure necessary for installing the facilities would not be realized.

The Bigbee interest in the well was purchased in order that some needed remedial work might be done. It is hoped that this work can be completed within the



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1. The Government of the United States of America, hereinafter referred to as the Government, has the honor to acknowledge the receipt of the letter of the Government of the United Kingdom of Great Britain and Northern Ireland, dated the 14th day of March, 1944, in relation to the above-captioned subject.

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next few months. If the work results in an increased volume of gas production, we will expect to connect this well to our compressor gathering facilities.

We respectfully request a one-year extension to the exception of the no-flare provisions of the pool rules.

Very truly yours,

ORIGINAL SIGNED BY
LEWIS C. JAMESON

Lewis C. Jameson

LCJ:hk

cc: NMOCC, Aztec ✓

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At 0800 hours he drove a Jeepster which stopped at
Long and in another half-hour left to Chicago - 11
miles.

2000-2001

SECRET
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