

AREA CODE 505
983-1228

BCO, Inc.
OIL WELL OPERATOR
135 GRANT
SANTA FE, N. M. 87501

November 2, 1988

State of New Mexico
Energy Minerals & Natural Resources Dept.
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87503

RE: Off-Lease Storage Order OLS-161

Gentlemen:

Off-Lease Storage Order OLS-161 gave BCO authorization to store liquids produced from a well located in Unit A Section 16 T23N R7W (the State J#1 well) in a tank located in Unit M Section 10 T23N R7W.

Our experience in operating the well during the winter of 1987 was that we had repeated freezing problems in the flow line. Already this fall, we have had the flow line freeze where it goes up a slight incline to the storage tank in Section 10.

In order to produce the well efficiently and effectively, and prevent waste, we have moved the storage tank and separator to the location on lease in Section 16.

Very truly yours,

Elizabeth B. Keeshan

Elizabeth B. Keeshan
Vice President

EBK:nk
c: Frank Chavez - Aztec