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BASS ENTERPRISES PRODUCTION CO.
DIVISION PRODUCTION OFFICE
P. O. BOX 2760
MIDLAND, TEXAS 79702

O. C. D.
ARTESIA OFFICE

800 VAUGHN BUILDING
(915) 684-5723

January 17, 1980

Re: Merchant State No. 1 ✓
Bone Springs-Palmillo Field
Section 1, T-19-S, R-28-E
Eddy County, New Mexico
File: 400 WF

New Mexico Oil Conservation Division
Petroleum Building
324 West Main
Artesia, New Mexico 88240

Attention: Mr. Bill Gressett

Gentlemen:

The Bone Springs interval of the Merchant State No. 1, operated by Bass Enterprises Production Company, was completed November 9, 1979. Since that date the well has been shut-in, waiting on production facilities and pipeline.

During preliminary testing of the Bone Springs interval, an Exception To No-Flare Rule 306 was granted from November 9, 1979 to January 9, 1980. BEPCo now wishes to continue testing this well to determine the areal extent of the field. We, therefore, ask that you grant a 30-day extension for Exception To No-Flare Rule 306.

Very truly yours,


J. E. Pullig
DIVISION MANAGER

JEP:JDR/jj

Approved by W. A. Gressett

Approved from _____ to 3-1-80