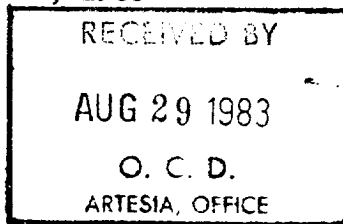


NM OIL CONS. COMMISSION
Drawer DD
Artesia, NM 88210



March 4, 1983



REC
MAR 8 1983
OIL & GAS
MINERALS MGMT. SERVICE
ROSWELL, NEW MEXICO

BLM Oil & Gas Department
P. O. Drawer 1857
Roswell, New Mexico 88201

Attention: Mr. Peter Chester

Re: Amoco Federal #1-A-26-25-27
Wildcat - Bone Springs
Eddy County, N. M.
NM Lease No. 13989

Gentlemen:

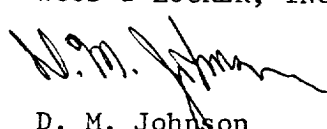
Subject well was completed as an oil well 7-21-83 and potentialed at 25 BOPD, 140 BWPD and 110 MCFGPD. We have been operating under an exemption to no-flare Rule 306, which expired 2-15-83. We have also completed the Southland State #1 and the Moore State #1 and have an interest in the Aztec State #1 which is operated by Wayne Moore, all located in Eddy County.

Since there was no gas gathering facility for these wells, we applied for and have received permits from both the state and federal agencies to lay our own pipeline. The original plan was to connect our pipeline to El Paso Natural Gas Company's facility located in the NE/4, Sec. 2, T-26-S, R-27-E in Eddy County; however, we have been informed by El Paso that they are unable to take the gas. We are currently negotiating with Llano, Inc. to connect with their system. They are now in the process of testing all four wells and, hopefully, a decision should be reached in March.

In view of the above, we should like to request a ninety-day extension to the no-flare rule for the Amoco Federal #1.

Very truly yours,

WOOD & LOCKER, INC.


D. M. Johnson
Drilling & Production Manager

APPROVED
(ORIG. SGD.) DAVID R. GLASS
AUG 23 1983

DMJ:gh

APPROVED FOR — MONTH PERIOD
ENDING MAY 16 1983