

BCO, Inc.

OIL WELL OPERATOR
AND
TRUCKING DIVISION

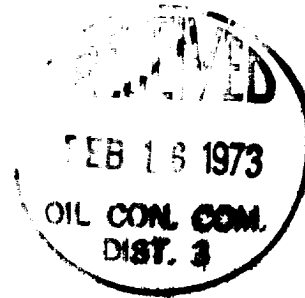
SANTA FE, N. M. 87501

AREA CODE 505
982-4611

P. O. BOX 669

February 16, 1973

Mr. Emery Arnold
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410



Dear Emery:

Pursuant to my telephone call yesterday, attached find 5 copies of State Form C-104 and 1 copy of Federal Form 9-331 on our 1-7 well.

We do not currently have your "Manual for Back-Pressure Testing of Natural Gas Wells" mentioned in Rule 401 of the Rules and Regulations of the Oil Commission. Would appreciate your sending us three copies.

As indicated on the phone, we feel that to shut our pump jack down at this time for seven days, in order to take the open flow potential would seriously hurt if not completely eliminate our current pump capacity which is already at about 33%.

In our opinion, if the well should be shut in for 8 days, the only gas sufficient to be measured would be the small amount that would then be trapped in the casing behind the tubing. It is only as a result of continuous pumping over a considerable period of time that the water level in the casing is reduced sufficiently to allow the production of the gas reported. We hope that upon pumping water over a several month period the well will clear up to the point that the rods and pump can be removed and the well can be further cleaned up with use of a piston produced into our low pressure gas gathering system. At this time, in our opinion the well has not cleaned up and been brought into operation. The use of the pump jack is hoped to be temporary, and is used in lieu of swabbing.

We would appreciate your extending the 60-day testing requirement on this well to June 15, 1973. In the event we have to pull our pump before that date, (a most likely circumstance), we will so notify you and schedule the test. In the event the well starts to make in excess of 250 MCF a day prior to June 15, 1973, we will contact you at which time you could revoke the temporary extension of Rule 401 through June 15 and require a test at the earlier date.

Mr. Emery Arnold
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Your cooperation in this matter is greatly appreciated. If you wish to discuss this matter with me you can call me collect at 983-1228 in Santa Fe.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Bob", written in dark ink.

Harry R. Bigbee
President

HRB:ycs

Enclosures

cc: Mr. Jerry Long