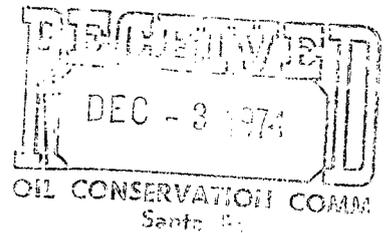


BCO, Inc.
OIL WELL OPERATOR
AND
TRUCKING DIVISION
P. O. BOX 669
SANTA FE, N. M. 87501



AREA CODE 505
983-1228

December 3, 1974

Mr. A. L. Porter, Jr.
Secretary - Director
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Exception to Rule 4(a)
Escrito Gallup Pool Rules
Case NO. 2089
Order NO. R-1793-A

NSL-692
Rule 4 (b) Order P-1793-A
Federal land

None upon receipt of approval from Aztec. No offsetting operators.

Approved
Ernest

Gentlemen:

BCO, Inc. recently filed Form C-102 on our Escrito Gallup Unit #21 well, copy of same is attached for your convenience. Said well is located 1980' FNL and 990' FEL of Section 13 Township 24, North Range 8 West. The well is a non-standard location in that it is 660' from the quarter section line and not 790' as required by pool rules. It meets all other requirements of Rule 4.

Mr. Harry L. Bigbee staked the location in the field with the land surveyor and based on the topography of the area, he felt this location would cause the least environmental damage as well as minimize the cost of drilling.

The entire E/2 of Section 13 is on Federal Lease # NM-087657, which is unitized in the Escrito Gallup Unit. The basic, overriding royalty owners and working interest owners are the same. There are no offset operators to notify and we would therefore, appreciate your approving this non-standard location immediately if you can, rather than wait the 20 (twenty) days as required by the rules, in order that we may receive an allocation for pipe when a rig is available.

Very truly yours,

Harry R. Bigbee
HARRY R. BIGBEE
President

HRB/rcd
Encl.

CC: U.S.G.S., Durango
U.S.G.S., Farmington
N.M.O.C.C., Aztec