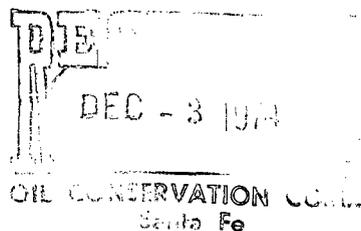


AREA CODE 505
983-1228

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



December 3, 1974

NSL-693

*Rule 4(a) Order R-1793-A
Federal Land*

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

*Have upon receipt of approval
from Aztec. No offsetting
operators*

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

Gentlemen:

BCO, Inc. recently filed Form C-102 on our Smith #4 well, copy of same is attached for your convenience. Said well is located 1900' FNL and 1710' FWL of Section 13 Township 24, North Range 8 West. The well is a non-standard location in that it is 740' 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 W/2 of Section 13 is on Federal Lease # NM-1409. 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 waiting the 20 (twenty) days as required by the rules, in order that we may receive an allocation for pipe when a rig is available.

Your favorable consideration of this request will be appreciated.

Very truly yours,

HARRY R. BIGBEE
President

HRB/rcd
Encl.

CC: U.S.G.S., Farmington
New Mexico Oil Conservation Commission - Aztec

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section 3 1974 NM-1409

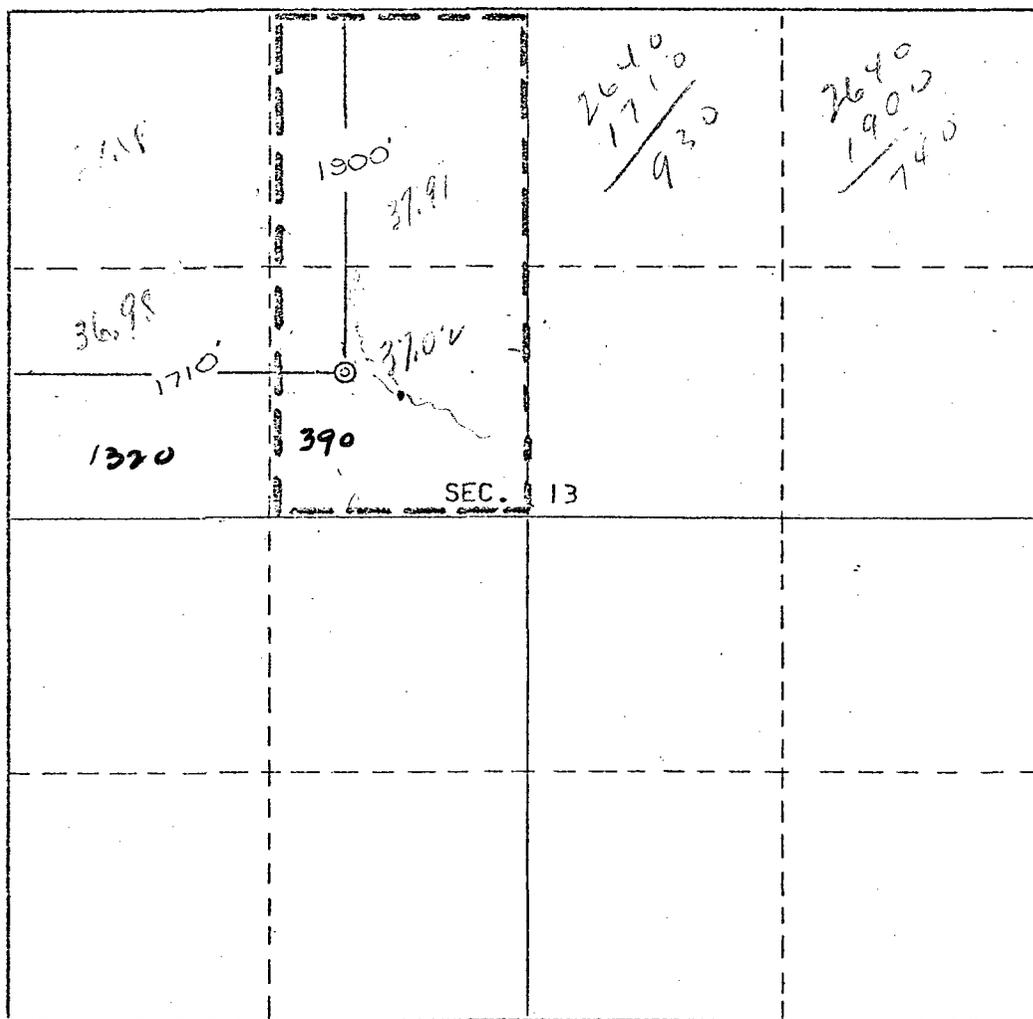
Operator BCO, Inc.		Lease Smith		Well No. 4
Unit Letter F	Section 13	Township 24 North	Range 8 West	County San Juan
Actual Footage Location of Well: 1900 feet from the North line and 1710 feet from the West line				
Ground Level Elev. 7038	Producing Formation Gallup	Pool Undesignated Dakota	Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation N/A

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Harry R. Bigbee
Name

Harry R. Bigbee
Position

President
Company

BCO, Inc.
Date

11-18-74

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

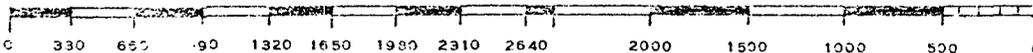
EST. V. ECHOHAWK
REGISTERED LAND SURVEYOR

Date Surveyed
November 9, 1974

Registered Professional Engineer and/or Land Surveyor

E. V. Echohawk

Certificate No. 3602
E.V. Echohawk LS



NSL-693

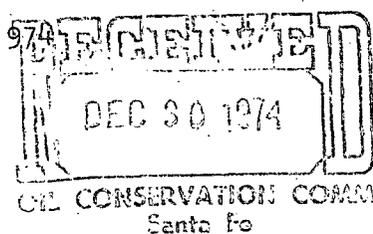


OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

December 23, 1974



Mr. Jim Kapteina
N. M. O. C. C.
PO Box 2088
Santa Fe, New Mexico 87501

Re: Application for non-standard
location Bco Inc., Escrito Gallup
Unit #3 and Smith #4, Escrito
Gallup Pool.

Dear Jim,

Charles Gholson has inspected the above two locations last week and based upon topographic conditions at the Escrito Gallup Unit #3 proposed location he has recommended that this location not be approved as no topographic problem exists which would make a standard location unfeasible. The Smith #4 location is non-standard because of rough terrain and Mr. Gholson recommends approval of this location. It is my understanding from conversation with Mr. Harry Bigbee that the Escrito Gallup Unit #3 location will be moved 130 feet north which will make it a standard location.

Thank you.

Yours very truly,

Emery C. Arnold
Emery C. Arnold

ECA/me

cc Bco Inc.