



August 18, 1999

Mr. Chris Williams, Supervisor
Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

1-C, 34-21-32

RE: Request for Exemption from Annual Gas Well Shut-In Pressure Tests, 1999
Bilbrey 34 Federal #1, API #30-025-31120
Bilbrey-Morrow Gas (72124) Pool, Lea County, New Mexico

Dear Mr. Williams:

Per our telephone conversation today, Maralo, LLC requests an exemption from the Annual Gas Well Shut-In Pressure Test for the Bilbrey 34 Federal, Well #1, based upon the following operating conditions:

- (A) The well is currently producing by way of a coil tubing velocity string.
- (B) The well will load up with fluid and die permanently if shut-in.

Please call me or Phillip Smith, Operations Manager, if you have further questions.
Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Dorothea Logan".

Dorothea Logan
Regulatory Analyst

cc: OCD/Santa Fe (attached to 1999 Form C-125 Report)

OK - Chris Williams