



December 17, 1998

Mr. David Catanach  
Engineering Department  
State of New Mexico  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

RE: Request for temporary off-lease gas production measurement/sales and surface commingling of the Bilbrey 34 Federal Lease, Well No. 1, API # 30-025-31120, Bilbrey (Morrow) Pool, Lea County, New Mexico

Maralo, Inc. respectfully requests a 30 day test period to test flow gas production from the Bilbrey 34 Federal Lease, Well No. 1, after installation of coil tubing and jetting with nitrogen. A poly line has been placed to the GPM Gas Corporation sales meter located on the Prohibition Federal Unit Battery located at Unit G, Section 14, Township 22 South, Range 32 East, Lea County, New Mexico.

For this test period, the production from each lease will be metered separately prior to commingling. Gas production will be allocated based on individual well chart integration in accordance with OCD applicable provisions. An existing single sales meter is installed downstream at the Prohibition Federal Unit Battery.

If successfully tested, an administrative authority request will be timely submitted with complete data.

Sincerely,

A handwritten signature in black ink, appearing to read "Dorothea Logan", written in a cursive style.

Dorothea Logan  
Regulatory Analyst