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September 17, 1986

Bureau of Land Management  
P. O. Box 1157  
Hobbs, NM 88240

Attention Mr. Jack Johnson

Gentlemen:

Former Conoco-Owned Wells sold to Arco as of November 1, 1985

Conoco Inc. has recently been contacted by the Bureau of Land Management concerning the change of operator for the following wells:

Elliot B-6 No. 3, 660' FSL & 660' FEL, Sec. 6, T-22S, R-37E, Lea Co., NM  
Elliot B-7 No. 1, 660' FNL & 1980' FEL, Sec. 7, T-22S, R-37E, Lea Co., NM  
Elliot B-7 No. 2, 1980' FNL & 1980' FEL, Sec. 7, T-22S, R-37E, Lea Co., NM

The subject wells had been part of the South Penrose Skelly Unit until the unit was disbanded. These wells were then sold to Arco effective November 1, 1985.

The Bureau of Land Management has requested that Conoco perform mechanical integrity tests on the subject wells. It is our understanding that Arco needs to file a change of operator form for these wells. However, our conversations with Arco reveal that one of the working interest owners, Chevron, has not signed the assignment of operating rights and transfer of interest. Therefore, Arco cannot file the change of operator form at the present time. We respectfully request that the BLM extend the time period for conducting the mechanical integrity tests until such time as Chevron assigns operating rights to Arco so that Arco may in turn file a change of operator form with the Bureau of Land Management. Your cooperation in this matter is greatly appreciated.

If you have any questions regarding this matter, please contact Ed Kepford at ext. 120 of this office.

Yours very truly,

ELK:jr

cc: Evelyn Downs, NMOCD, Hobbs  
Mike Snyder, ARCO, Midland

11/17/86