



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

June 4, 1996

IN REPLY REFER TO:

NMA-10(CA)
3105(07400)

Ms. Julie Jenkins
Amoco Production Company
P.O. Box 800
Denver, CO 80201

RECEIVED
JUN - 6 1996
OIL CON. DIV.
DIST. 3

Dear Ms. Jenkins:

Amoco is approved operator of Communitization Agreement (CA) NMA-10, which covers the Mesaverde formation in the N/2 of Section 26, T.29N., R.11W. and includes portions of lease NMSF-047020B. By letter dated May 24, 1996, you indicated that the well committed to this CA, **the No. 1 Davis Gas Com**, which is located on Fee land, has not produced since for a number of years.

Accordingly, by August 5, 1996, Amoco must do one of the following: a) return the well to production, b) demonstrate the well is capable of producing in paying quantities and perform a casing integrity test, or c) perform reworking operations to reestablish production in paying quantities. Failure to perform one of the above will result in CA termination.

If you have any questions concerning this matter, please call Duane Spencer at (505) 599-6350.

Sincerely,

Duane W. Spencer
Team Leader, Petroleum Management

bcc:
NMOCD, Aztec, NM