

OIL CONSERVATION DIVISION

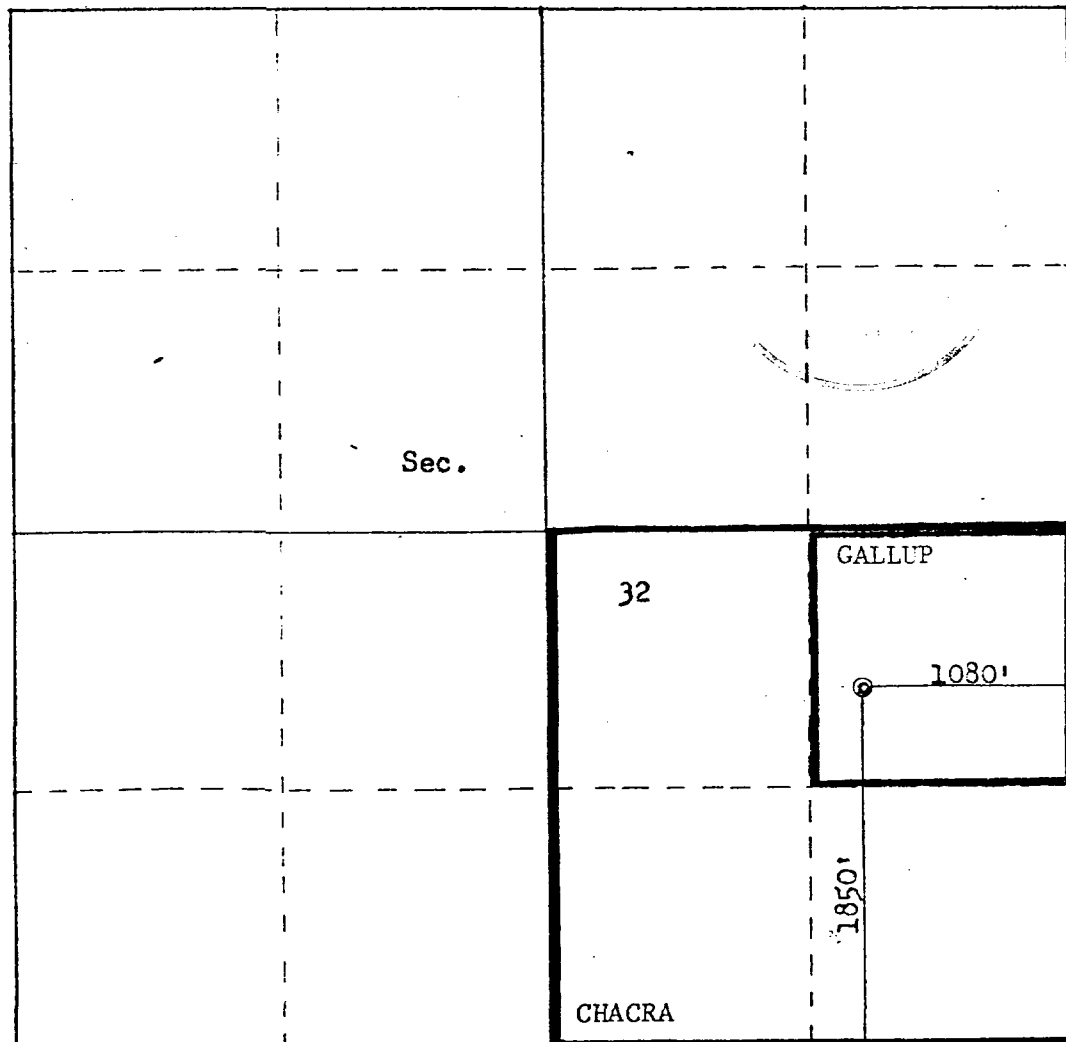
P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator AMOCO PRODUCTION COMPANY			Lease STATE GAS COM BZ		Well No. 1
Unit Letter I	Section 32	Township 29N	Range 10W	County San Juan	
Actual Footage Location of Well: 1850 feet from the South line and 1080 feet from the East line					
Ground Level Elev: 5678	Producing Formation Chacra / Gallup		Pool Bloomfield Chacra/Armenta Gallup	Dedicated Acreage: 160/40 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>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?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes," type of consolidation <u>Communitization</u></p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>					

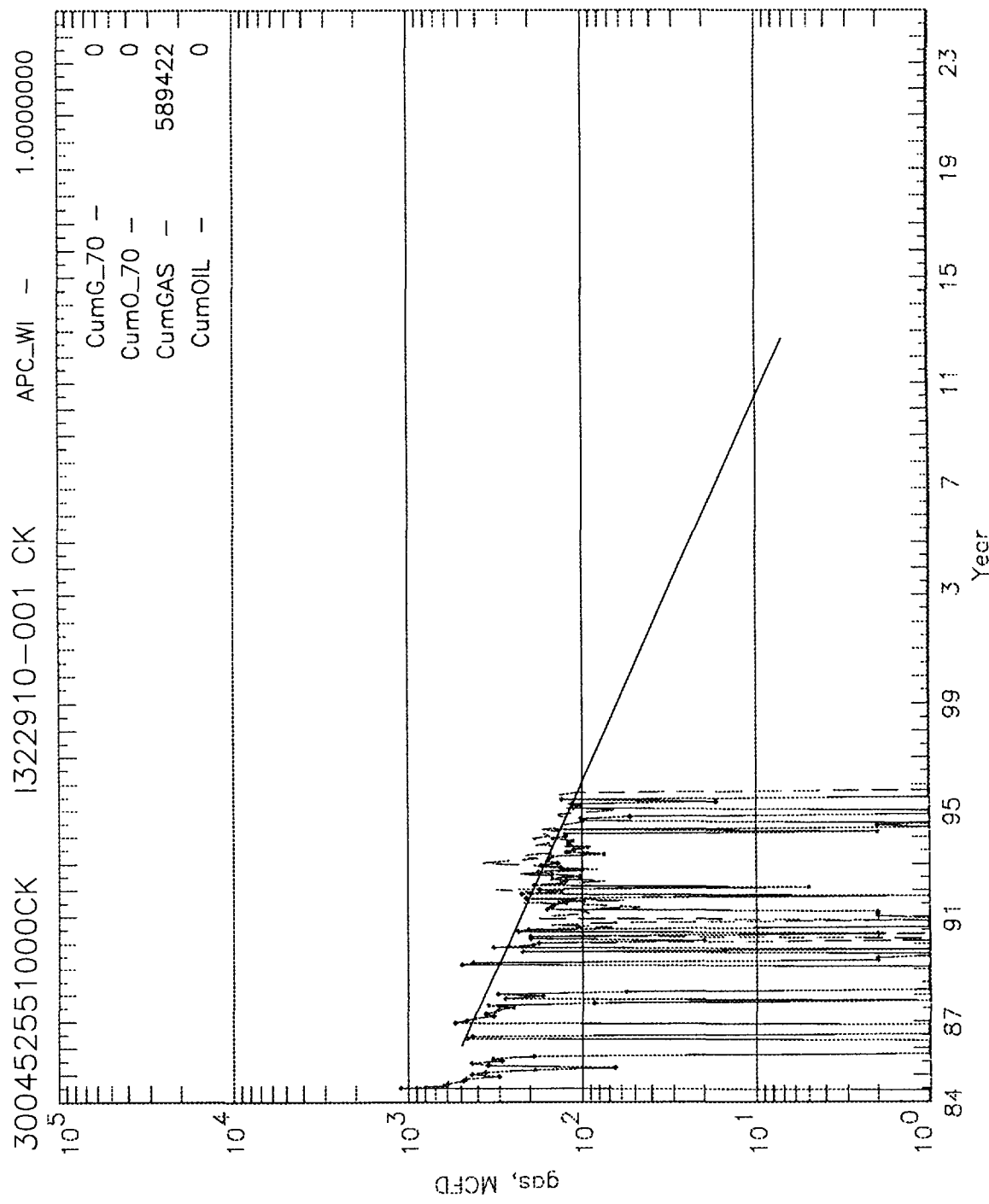


Scale: 1"=1000'

CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>Dale H. Shoemaker</i>	
Name	D. H. SHOEMAKER
Position	DISTRICT ENGINEER
Company	AMOCO PRODUCTION COMPANY
Date	NOVEMBER 11, 1982
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.	
Date Surveyed	November 10, 1982
Registered Professional Engineer and Land Surveyor	
<i>Fred B. Kerr Jr.</i>	
Certificate No.	3950

For: zdws22
 Engr: zrar06

STATE GAS COM BY 1 Operator- AMOCO PRODUCTION CO

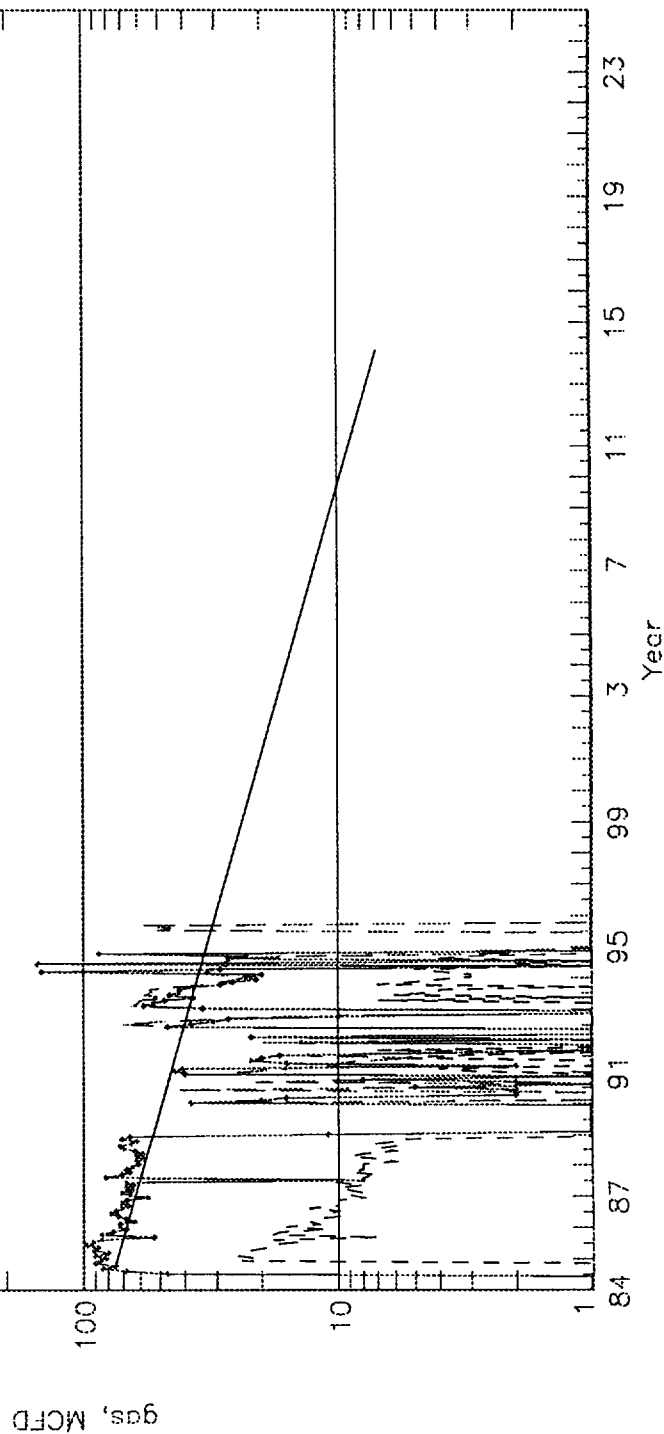


For: zdws22
Engr: zr06

STATE GAS COM BZ 1 Operator- AMOCO PRODUCTION CO

300452551000GP 1322910-001 GP APC_WI - 1.0000000

CumG_70	-	0
CumO_70	-	0
CumGAS	-	159536
CumOIL	-	19556

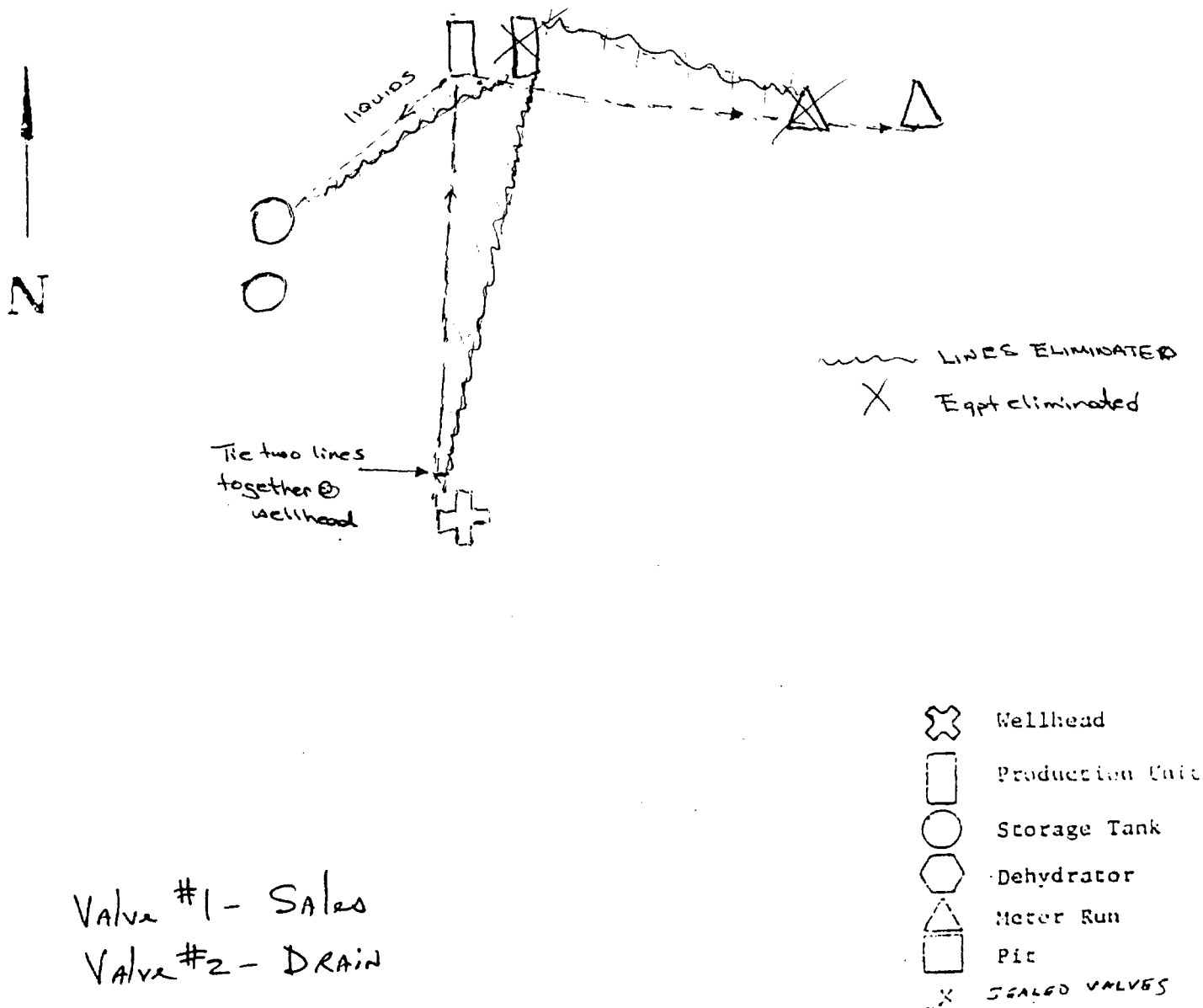


AMOCO PRODUCTION COMPANY
FARMINGTON DISTRICT

ONSHORE FEDERAL AND INDIAN
SITE FACILITY DIAGRAM

LEASE NAME & WELL NUMBER State G.C. "B2" well # 7 BY
LEASE NUMBER Run 27 BY #1-CK, BZ #1-GP
COMMUNITIZATION NUMBER _____
LOCATION SJC SEC.- 32 T 29N R 10W
This diagram subject to site security plan For New Mexico

Sealed valves are normally closed during production phase. Drain line valve to pit open to draw off water and load line valve open to sell condensate.





PLC-117

APR 17 1996

80 PM APR 6 52

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

March 12, 1996

(505) 827-5760
FAX (505) 827-5766

RAY POWELL, M.S., D.V.M.
COMMISSIONER

Amoco
Post Office Box 800
Denver, Colorado 80201

Attn: Ms. Pamela W. Staley

Re: Surface Commingling Application
State Gas Com BY #1 Well - Otero Chacra Pool
Unit I Sec. 32-29N-10W
State Gas Com BZ #1 - Armenta Gallup Pool
Unit I Sec. 32-29N-10W, San Juan County, New Mexico

Dear Ms. Staley:

We have received your letter of February 21, 1996, wherein you requested our approval to surface commingle the production from the above referenced wells.

Your letter states that the Chacra is producing 105 MCFD with no associated condensate, and the Gallup is producing 32 MCFD with 3 BCPD. You have recommended allocating gas production at 23% to the Chacra formation and 77% to the Gallup formation. Condensate production would be attributed 100% to the State Gas Com BZ #1, as the Chacra does not produce any liquids.

We would like additional information prior to approving this application. Please clarify the gas production percentages for the Chacra and Gallup formations as stated in your application.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LK/pm

cc: Reader File,
OCD-Santa Fe Attn: Mr. David Catanach