



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 30, 1996

Amoco Production Company
c/o Campbell, Carr, Berge & Sheridan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-69043
Attention: William F. Carr

Administrative Order NSL-3700

Dear Mr. Carr:

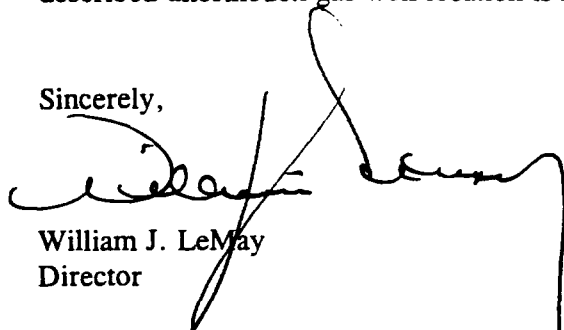
Reference is made to your application on behalf of the operator, Amoco Production Company, dated July 30, 1996, for approval to drill its proposed Evelyn "35" State Com Well No. 1 at an unorthodox gas well location to test the Undesignated South Empire-Morrow Gas Pool 1730 feet from the North line and 660 feet from the East line (Unit H) of Section 35, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The N/2 of said Section 35 shall be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe