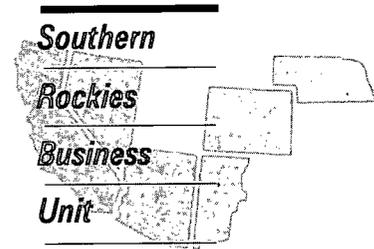
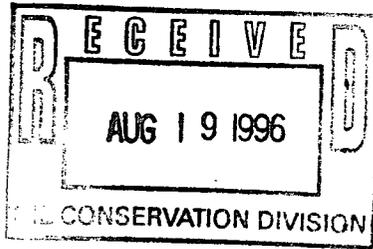


NSL

9/9/96



August 13, 1996

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P.O. Box 6429
Santa Fe, NM 87505

Application For Unorthodox Location
Gallegos Canyon Unit Well No. 291
1850' FSL, 1850' FEL, Unit J Section 23-T28N-R12W
Basin Fruitland Coal Pool
San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval for an unorthodox well location for the Gallegos Canyon Unit Well No. 291 well in the Basin Fruitland Coal Pool. Amoco plans to recomplate this well from the Pictured Cliffs formation to the Basin Fruitland Coal. This well is at an orthodox location for the Pictured Cliffs, however the Basin Fruitland Coal Pool Rules require all Fruitland wells to be in the Northeast or Southwest quarter of the section. Because of the recompletion of this well from the Pictured Cliffs, it will be in an unorthodox location in the Fruitland. Attached is a copy of the C-102 for the Pictured Cliffs and the Fruitland Coal formations.

Amoco is the only offset operator in the Fruitland Coal formation, so no notice is required to Offset Operators. Attached are plats showing the location of the well, all wells drilled in the area and the C-102's described above. Should you have questions regarding this application, do not hesitate to call me at (303) 830-5344.

Pamela W. Staley

Attachments

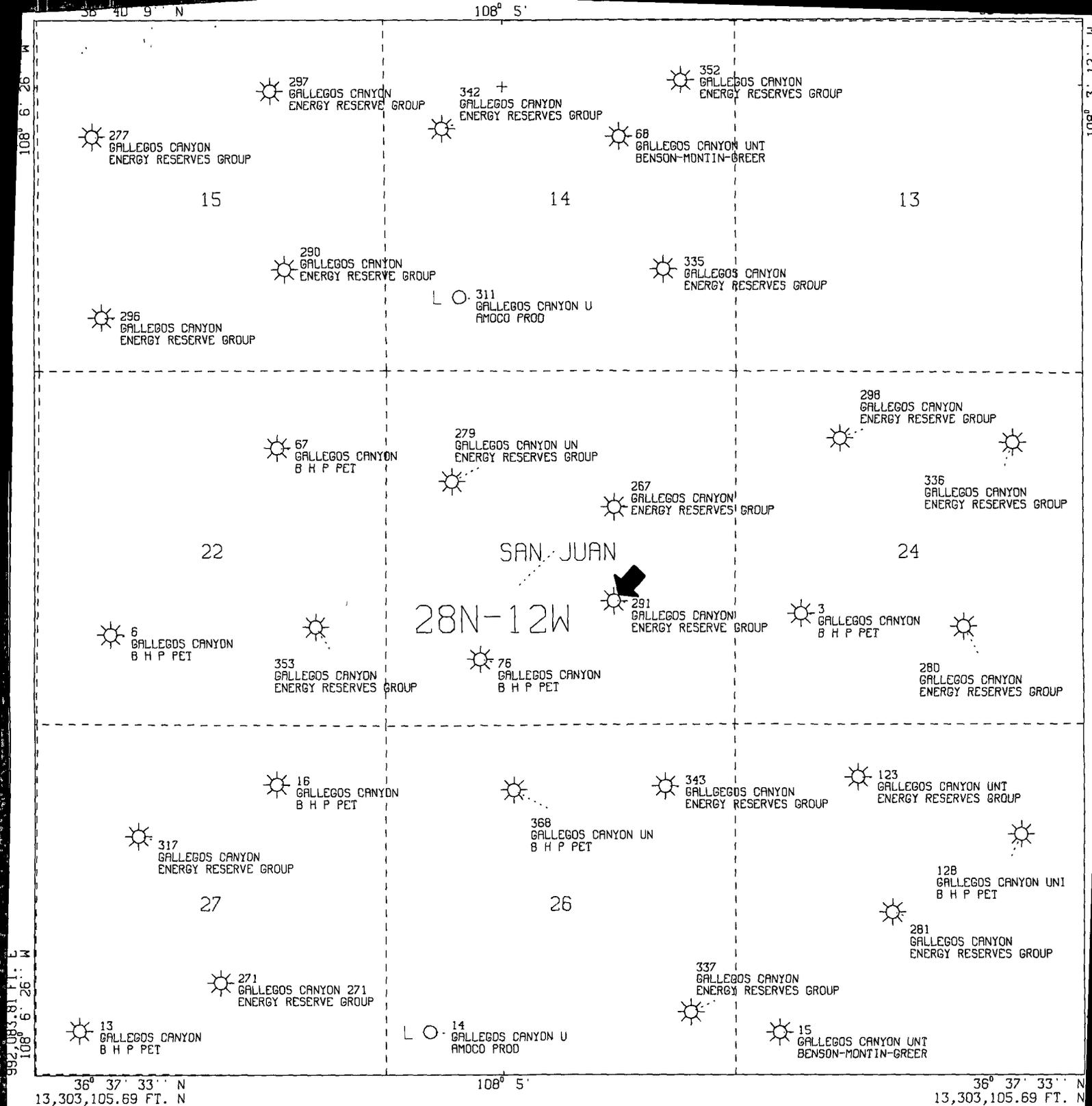
- cc: Frank Chavez, Supervisor
- Mark Yamasaki, Amoco
- NMOCD District III
- Patty Haefele, Amoco
- 1000 Rio Brazos Road
- Irina Mitselmakher, Amoco
- Aztec, NM 87410

APPLICATION FOR APPROVAL OF UNORTHODOX LOCATION UNDER RULE 104-F

**Gallegos Canyon Unit Well No. 291
1850' FSL, 1850' FEL, Unit J Section 23-T28N-R12W
Basin Fruitland Coal Pool**

ATTACHMENTS:

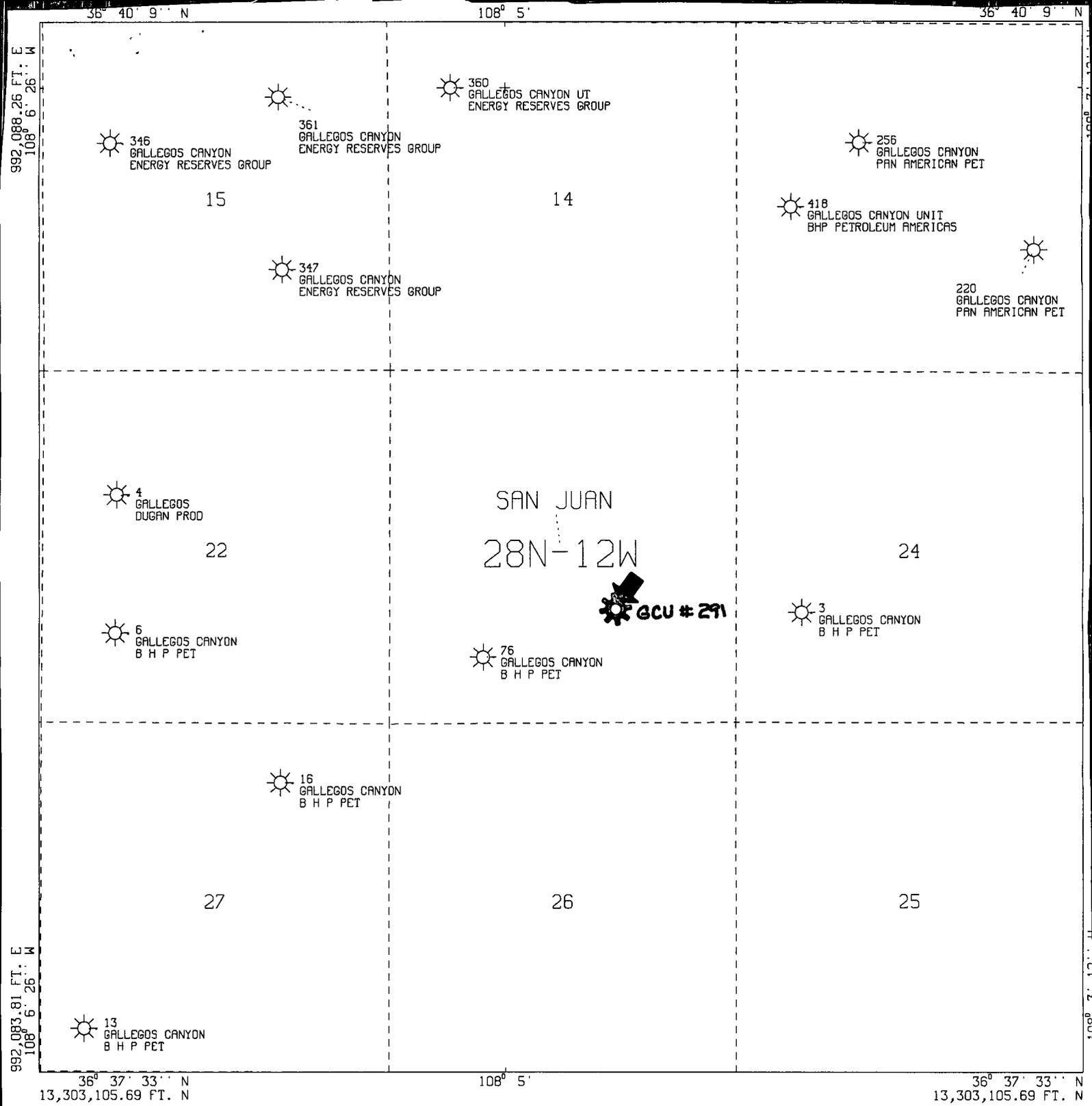
- 9-SECTION PLAT SHOWING LOCATION OF ALL OFFSET WELLS
- FORM C-102 FOR PICTURED CLIFFS FORMATION
- FORM C-102 FOR FRUITLAND COAL FORMATION



All geological and geophysical data, including the interpretation thereof, appearing on this map is the private and confidential property of Amoco Production Company. The publication or reproduction thereof without the written permission of said Company is strictly prohibited.

AMOCO PRODUCTION COMPANY
 PLAT MAP
 GCU 291 J23-T28N-R12W
 Offset Pictured Cliff Wells
 SCALE 1 IN. = 2,000 FT. AUG 13, 1996

POLYCONIC CENTRAL MERIDIAN - 108° 4' 49" W LON
 SPHEROID - 6



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AMOCO PRODUCTION COMPANY
 PLAT MAP
 GCU 291 J23-T28N-R12W
 Offset Fruitland Coal Wells

SCALE 1 IN. = 2,000 FT. AUG 13, 1996

POLYCONIC CENTRAL MERIDIAN - 108° 4' 49'' W LON
 SPHEROID - 6

LAND CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

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

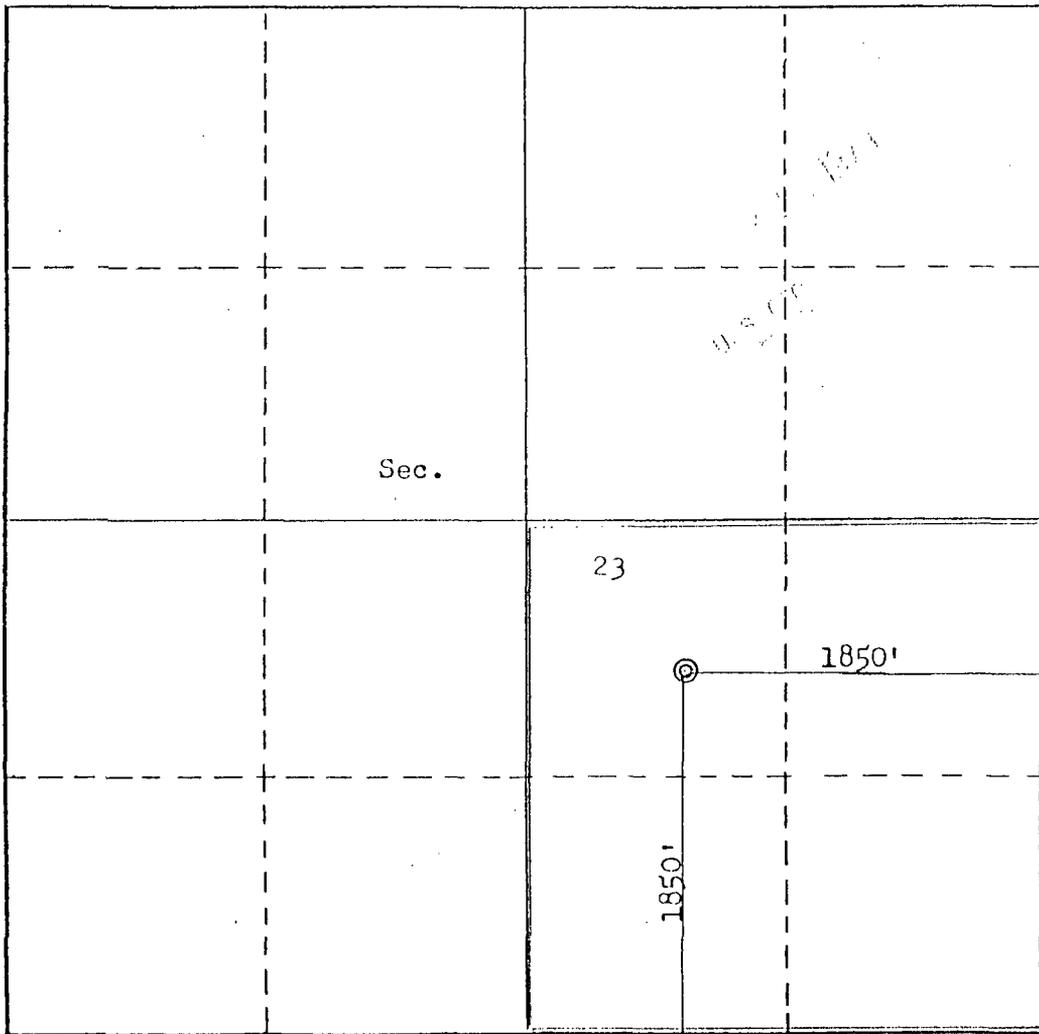
Operator ENERGY RESERVES GROUP		Lease GALLEGOS CANYON UNIT			Well No. 291
Unit Letter J	Section 23	Township 28N	Range 12W	County San Juan	
Actual Footage Location of Well: 1850 feet from the South line and 1850 feet from the East line					
Ground Level Elev. 5760	Producing Formation <i>Pictured Cliffs</i>		Pool <i>West Kutz Pictured Cliffs</i>	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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).
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?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: *William J. ...*
 Position: *Field Services Administrator*
 Company: *Energy Reserves Group, Inc.*
 Date: *September 10, 1979*

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: *August 11, 1979*
 Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr Jr.
 Certificate No. *3950*



District I
 PO Box 1900, Hobbs, NM 88241-1900
 District II
 811 South First, Artesia, NM 88210
 District III
 1600 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2049 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-23882		Pool Code 71629		Pool Name Basin Fruitland Coal	
Property Code 570		Property Name Gallegos Canyon Unit			Well Number 291
OGRID No. 000778		Operator Name Amoco Production Company			Elevation 5760'

10 Surface Location

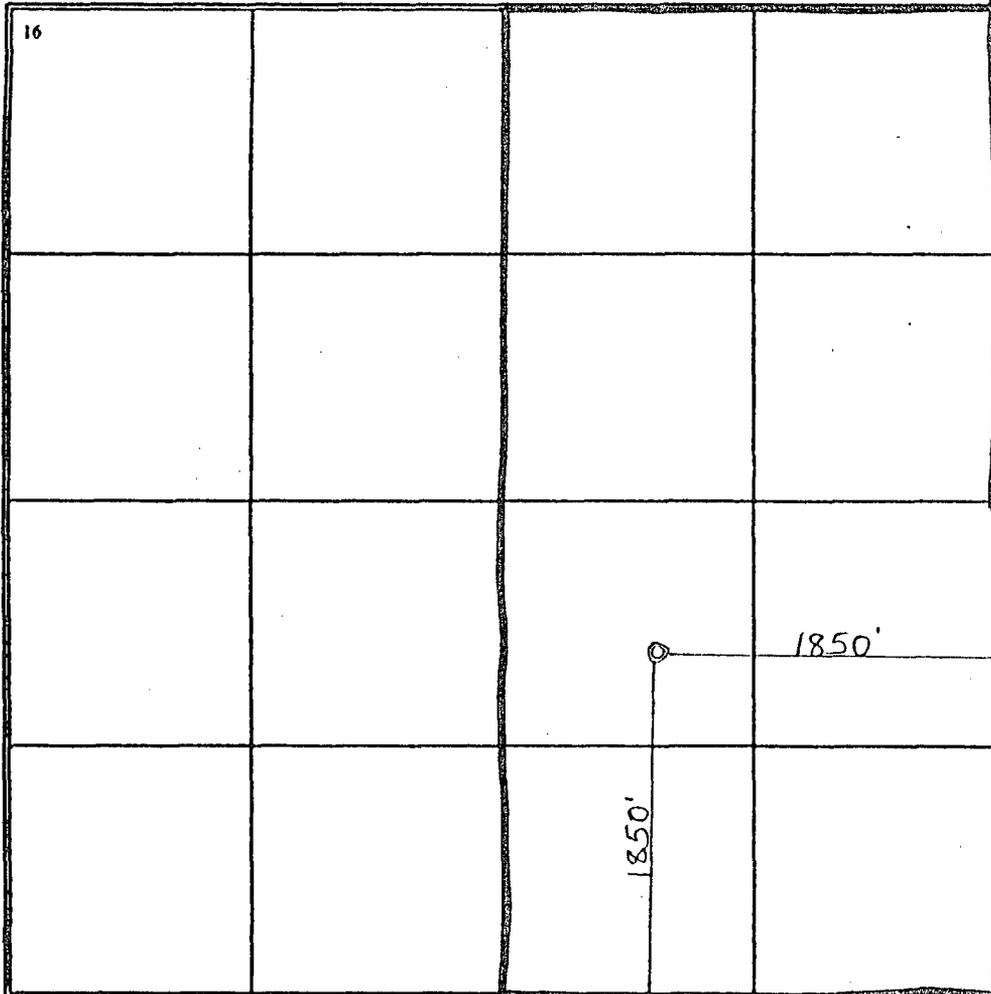
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
J	23	28N	12W		1850	South	1850	East	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: *Patty Haefele*
 Patty Haefele
 Staff Assistant

Title: Staff Assistant

Date: 7-3-96

18 SURVEYOR CERTIFICATION

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 belief.

Date of Survey: 8/31/79

Signature and Seal of Professional Surveyer:
 on file

Certificate Number: 3950

Sec : 23 Twp : 28N Rng : 12W Section Type : NORMAL

D 40.00 Indian owned U A	C 40.00 Indian owned U	B 40.00 Indian owned U	A 40.00 Indian owned U A
E 40.00 Indian owned U A	F 40.00 Indian owned U	G 40.00 Indian owned U A	H 40.00 Indian owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Sec : 23 Twp : 28N Rng : 12W Section Type : NORMAL

L 40.00 Indian owned U	K 40.00 Indian owned U	J 40.00 Indian owned U A	I 40.00 Indian owned U
M 40.00 Indian owned U A	N 40.00 Indian owned U A	O 40.00 Indian owned U A	P 40.00 Indian owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12