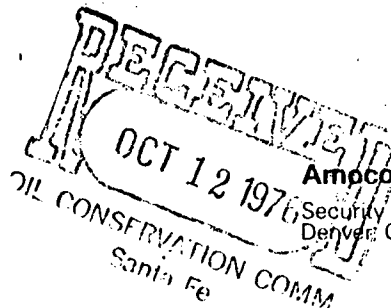




September 27, 1976



Amoco Production Company

Security Life Building
Denver, Colorado 80202

NSL-798

Rule 104 F

Due upon receipt of approval from Amoco

Joe D. Ramey (3)
Secretary-Director, New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

File: VDP-841-986.511

*McEwen Gas Com "B" #1
370' FNL & 445' FWL*

Unorthodox Well Locations - McEwen Gas Com No. 1-A and
McEwen Gas Com "B" No. 1, NW/4 Section 5, T31N, R10W,
San Juan County, New Mexico.

5-31N-10W

Amoco requests New Mexico Oil Conservation Commission approval to drill its McEwen Gas Com No. 1-A, a Blanco Mesaverde well, and its McEwen Gas Com "B" No. 1, a Blanco Pictured Cliffs well, as non-standard well locations in the NW/4 of Section 5-T31N-R10W at a distance 525 FNL and 565 FWL of Section 5 and 370 FNL and 445 FWL of Section 5 respectively.

Drilling and spacing units for the two gas fields involved require these wells be drilled in the NW/4 of Section 5, T31N-R10W. Terrain problems require these unorthodox locations. The Animas River flows through this quarter section and all standard drilling locations fall in the river, next to the river, or in rugged bluff-type terrain overlooking the river. Please refer to the attached topo map. The flood plain location on the east side of the river is not acceptable for drilling due to environmental and pollution problems with flooding and expected high maintenance costs. Similarly, one possible location in a small box canyon on the west side of the river would require excessive dirt moving to build the location and has a severe drainage problem with resultant pollution hazards from washing out the location by heavy rain. Additionally, this location is big enough at best for only one well.

The staked drill sites are on Bureau of Land Management land. Local BLM and U. S. Geological personnel have visually inspected the various possible well sites, and the local USGS District Engineer, Mr. P. T. McGrath, believes the environmental hazard for any location by the river is significant and prefers the well be drilled on the bluffs. A. L. Kendrick, the local NMOCC District Engineer, has also visited the well sites and recommends the unorthodox locations due to the terrain. The staked locations are on top of a mesa overlooking the river and present no environmental, pollution, or terrain problems to drilling.

A second attachment shows that Amoco operates all 320 acre gas spacing units and the wells thereon that offset the NW/4 of Section 5 upon which the unorthodox wells would be located except for the E/2 of Section 31, T32N-R10W operated by El Paso (with Amoco owning 28.1% WI). By copy of

this letter we request that El Paso sign in the space provided that they have no objection to these unorthodox well locations in the NW/4 of Section 5, sending one signed copy to you, returning one copy to me and retaining the third copy for their internal needs.

RB Giles

R. B. Giles

RBG/cd

Enclosures

cc: P. T. McGrath, United States Geological Survey, Box 959, Farmington,
New Mexico 87401

A. L. Kendrick, Supervisor District 3, New Mexico Oil Conservation
Commission, 1000 Rio Brazos Road, Aztec, New Mexico 87110

Bob Manning, El Paso Natural Gas Company, P. O. Box 1492, El Paso,
Texas 79978

The undersigned has no objection to Amoco's hereinabove requested non-standard well locations for its McEwen Gas Com No. 1-A and "B" No. 1 in the NW/4 of Section 5-31N-10W.

EL PASO NATURAL GAS COMPANY

By: *E. R. Manning*

Date: *Oct. 8, 1976*

VERIFICATION AND AFFIDAVIT

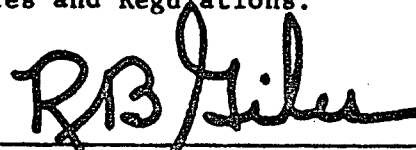
STATE OF COLORADO)
 : SS
COUNTY OF DENVER)

R. B. Giles, of lawful age, being first duly sworn on his oath, deposes and says:

That he is employed in an engineering supervisory capacity by Amoco Production Company in its Denver, Colorado office; that Amoco's application for approval of non-standard well locations for its McEwen Gas Com No. 1-A and McEwen Gas Com "B" No. 1 in the NW/4 of Section 5, T31N-R10W, in San Juan County, New Mexico, was prepared under his direction and supervision; that the matters and things therein set forth are true and correct to the best of his knowledge and beliefs; and that a copy thereof was sent by certified mail from applicant's Denver, Colorado office on September 27, 1976 to the following operator, at the address shown herein, to wit:

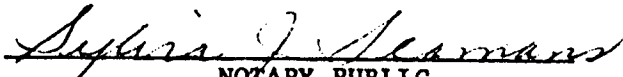
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

and to the best of his information, knowledge and belief, the above named operator is the only operator to whom notice of such application is required to be given in accordance with the requirements of the New Mexico Oil Conservation Commission's Rules and Regulations.



R. B. GILES

Subscribed and sworn to before me this 27th day of September, 1976.



NOTARY PUBLIC

My Commission Expires:

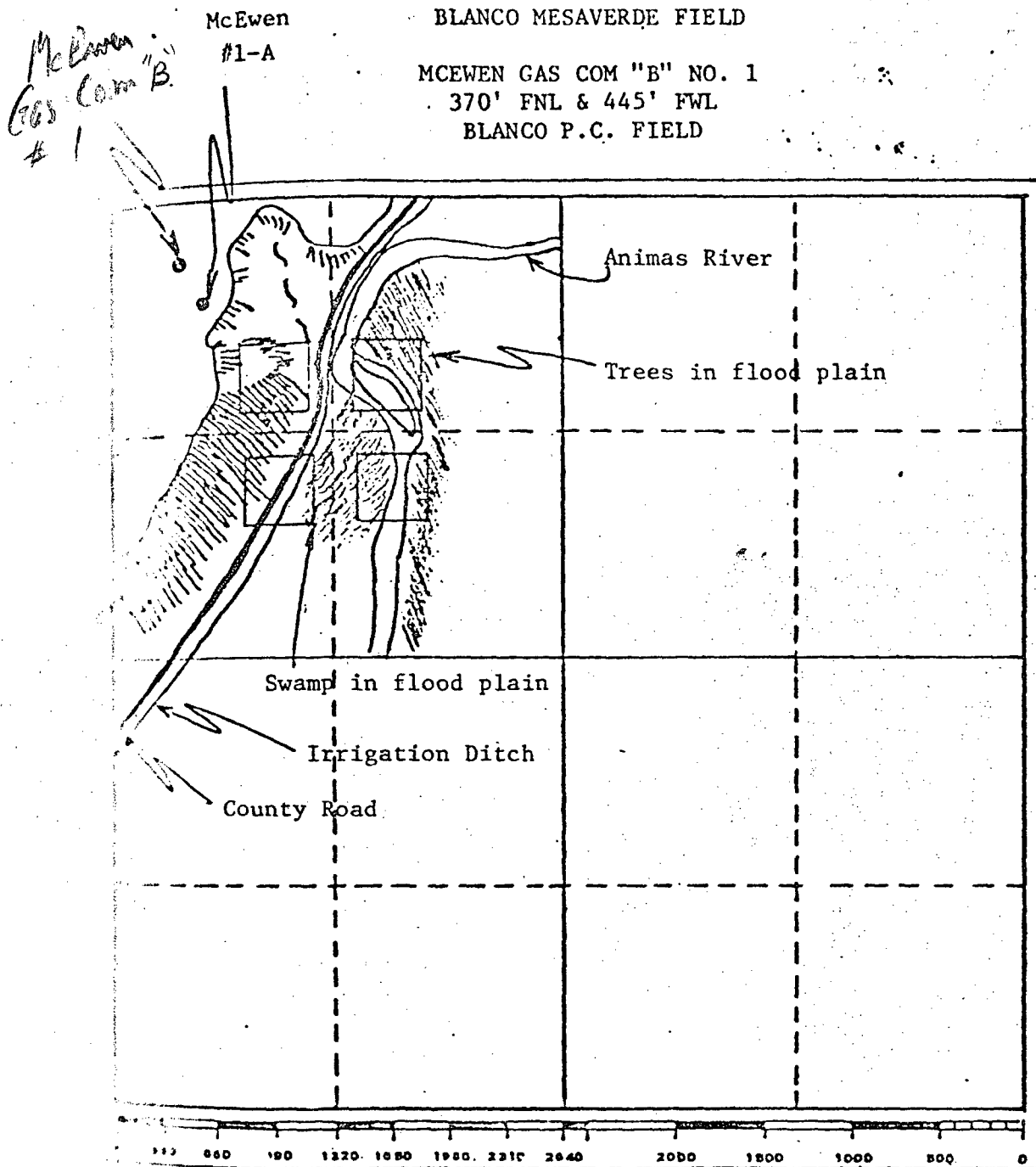
Commission Expires Aug. 15, 1980



NON-STANDARD LOCATIONS
NW/4 SECTION 5, T31N, R10W
SAN JUAN COUNTY, NEW MEXICO

MCEWEN GAS COM NO. 1-A
525' FNL & 565' FWL
BLANCO MESAVERDE FIELD

MCEWEN GAS COM "B" NO. 1
370' FNL & 445' FWL
BLANCO P.C. FIELD



Standard drilling locations 130' from interior edge and 790' from exterior edge of each quarter-quarter section, as shown.

Section 5, T31N, R10W, San Juan County, New Mexico

M^E Ewen Gas Com No. 1-A - Mesaverde
525' FNL x 565' FWL

M^S Ewen Gas Com B No. 1- Blanco P.C.
370' FNL x 445' FWL

