STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

October 16, 1995

Amoco Production Company Southern Rockies Business Unit P.O. Box 800 Denver, Colorado 80201

Attention: J. W. Hawkins

Administrative Order NSL-3580

Dear Mr. Hawkins:

Reference is made to your application dated September 26, 1995, for a non-standard Basin-Dakota infill gas well location in an existing standard 322.64-acre gas spacing and proration unit ("GPU") for said Basin-Dakota Pool comprising Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico, which currently has dedicated thereon the Aztec Gas Com Well No. 1 (API No. 30-045-06906), located at a standard gas well location 1190 feet from the North line and 990 feet from the West line (Lot 4/Unit D) of said Section 2.

By authority granted me under the provisions of Rule 2(c) of "General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Basin- Dakota Pool", as promulgated by Division Order No. R-8170, as amended, the following described well to be drilled at an unorthodox gas well location is hereby approved:

Aztec Gas Com Well No. 1-E 550' FNL - 1730' FEL (Lot 2/Unit B)

Further, Amoco is authorized to dedicate Basin-Dakota gas production on the subject GPU from both the Aztec Gas Com Well Nos. 1 and 1-E. Said wells and GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest New Mexico.

Sincerely,

William J. LeMa

Director

WJL/MES

cc: Oil Conservation Division - Aztec

U. S. BLM - Farmington