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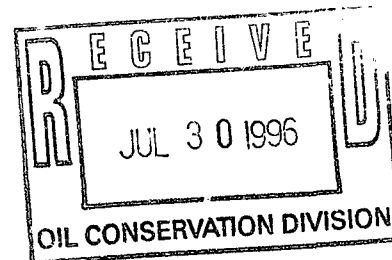
*NSL-GAS. N3*

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

July 30, 1996

**HAND-DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505



Re: *Application of Amoco Production Company for Administrative Approval of an Unorthodox Well Location for its Evelyn "35" State Com. Well No. 1, 1730 feet from the North line and 660 feet from the East line of Section 35, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico*

Dear Mr. LeMay:

Amoco Production Company hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on January 18, 1996, of an unorthodox well location for its Evelyn "35" State Com. Well No. 1 to be drilled at an unorthodox well location 1730 feet from the North line and 660 feet from the East line of Section 35, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Attached hereto as Exhibit A is a plat showing the subject spacing unit, the proposed unorthodox well location, the offsetting wells and the diagonal and adjoining spacing units.

This unorthodox location is necessary for geological reasons. Attached as Exhibit B hereto is a Morrow Net Sand Map which shows that the proposed location is required if the Morrow reserves under this spacing unit are to be effectively drained.

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources

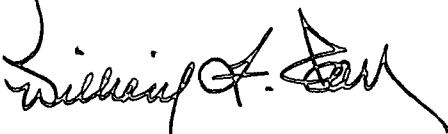
July 30, 1996

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Exhibit C hereto is a list of the parties affected by this application. On this date, a copy of this application, including the plat described in Rule 104 F (3), was provided to each of the affected parties as required by Division Rule 104 F (4) by certified mail advising each that if they have an objection to this location it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was mailed.

Your attention to this application is appreciated.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr", with a stylized flourish at the end.

WILLIAM F. CARR

Attorney for Amoco Production Company  
Enclosures

cc: Mr. Jerry West  
Amoco Exploration and Production  
U. S. A. Operations Group  
Post Office Box 4891  
Houston, Texas 77210

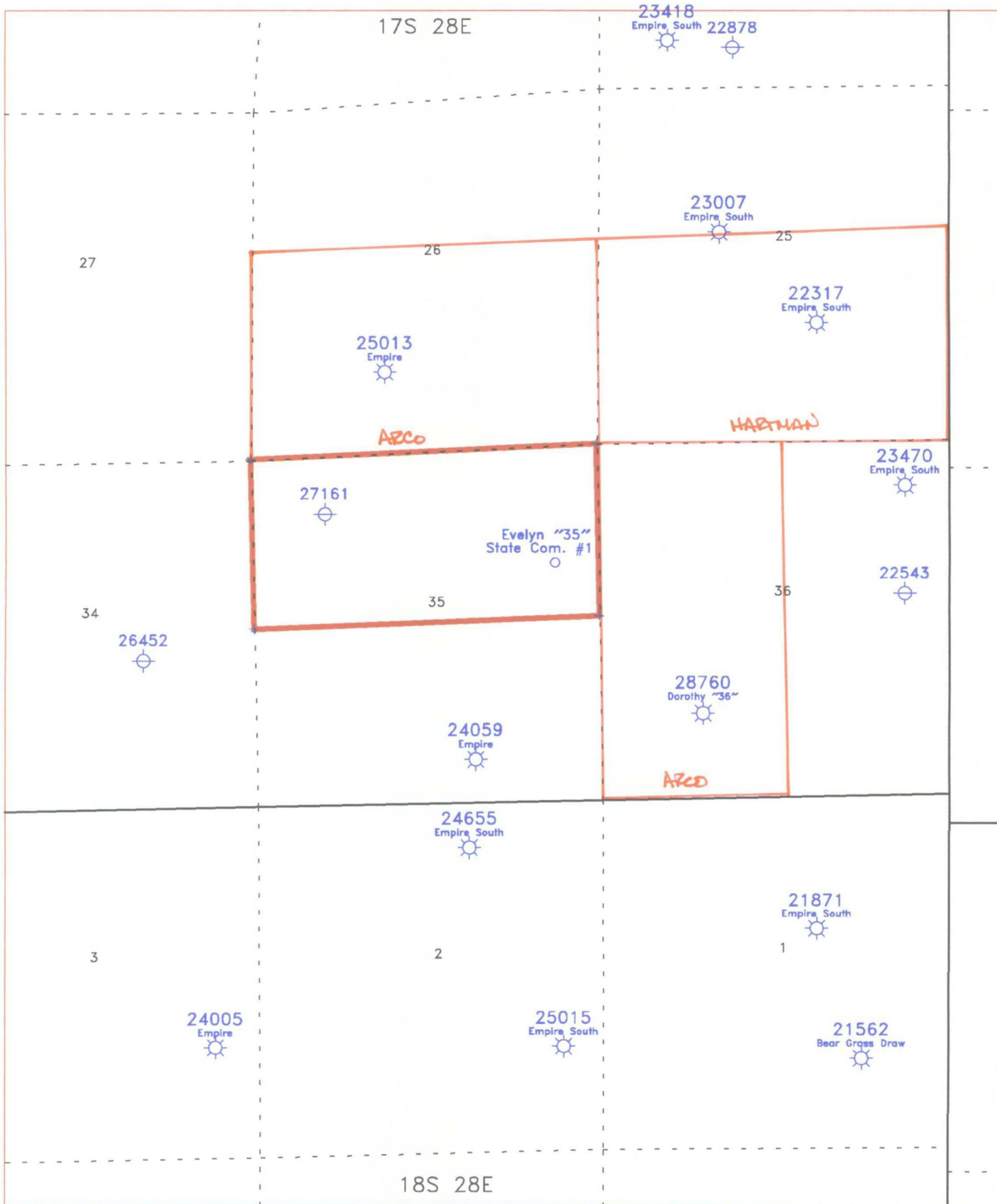
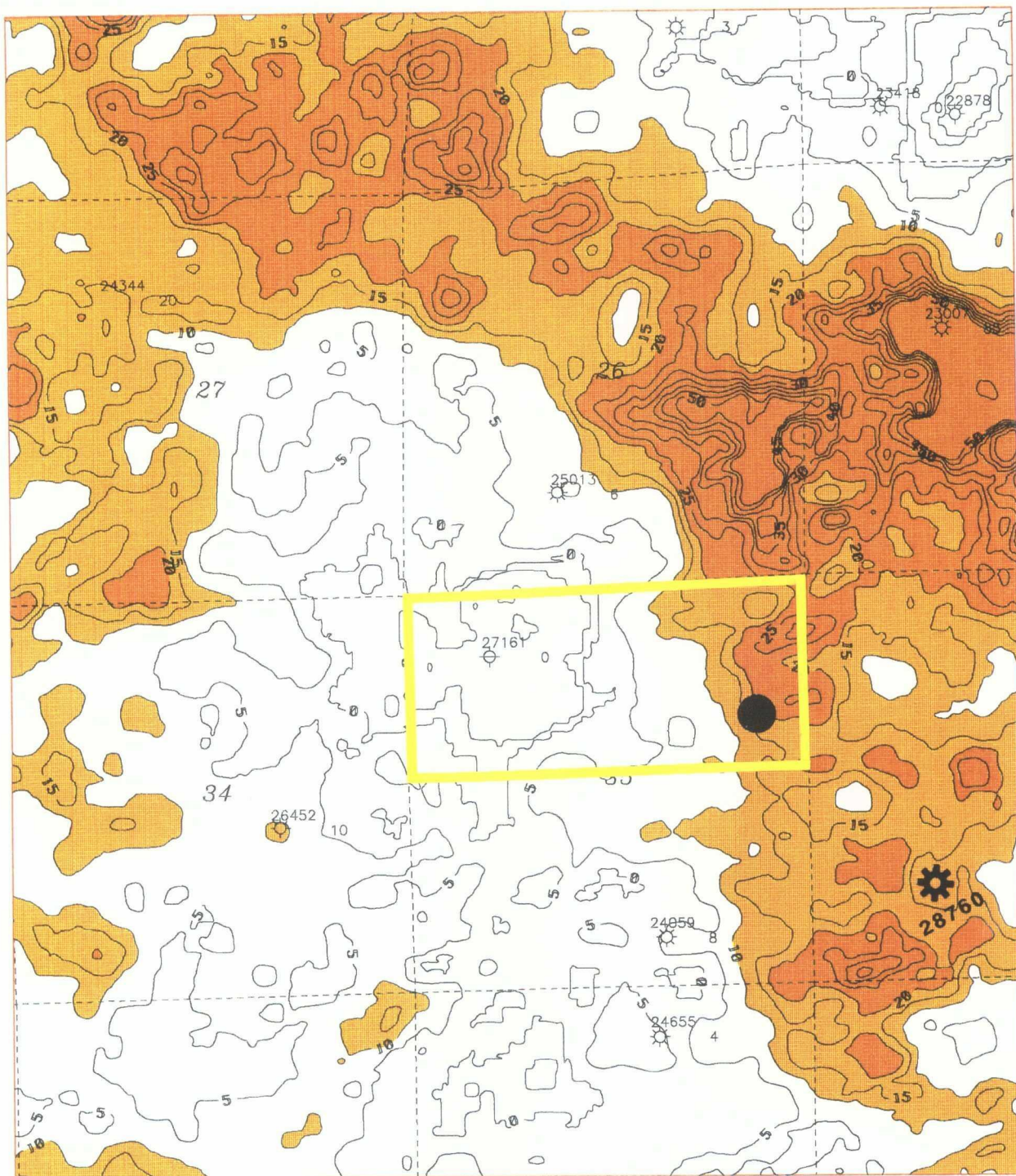


Exhibit A

Amoco Production Company Permian Basin Business Unit		
Eddy County, New Mexico, Empire Abo Area		
Evelyn ~35~ State Com. #1 Section 35, T 17S - R 28E, 1730' FNL & 660' FEL Wells Shown Are Morrow Penetrations		
Scale 1 IN = 2000 FT	Drawn Mark L. Suda	Rev 24-JUL-96



Net Sand Map  
 Evelyn /35/ State Gas Com No.1 prospect  
 Section 35, T 17S, R28E, Eddy County, NM

EXHIBIT C  
RULE 104.F.(3)(b)  
AFFECTED PARTIES

Atlantic Richfield Company  
600 N. Marienfeld  
Midland, TX 79701  
Attn: Lee M. Scarborough

Doyle Hartman  
500 N. Main  
Post Office Box 10426  
Midland, TX 79702

County EddyPool South Empire - Morrow GasTOWNSHIP 17 SouthRange 28 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Ext:  $\frac{5}{2}$  Sec 25 (R-5838, 11-1-78) Ext:  $\frac{5}{2}$  Sec 36 (R-5911, 2-1-79)

Ext:  $\frac{1}{2}$  Sec. 25 (R-6274, 3-1-80) Ext:  $\frac{5}{2}$  Sec 24 (R-6576, 2-10-81)

Ext: Sec: 35,  $\frac{5}{2}$ , Sec: 36,  $\frac{1}{2}$  (R-7076-9-27-82)

Ext:  $\frac{5}{2}$  Sec. 13 (R-7334, 8-19-83)