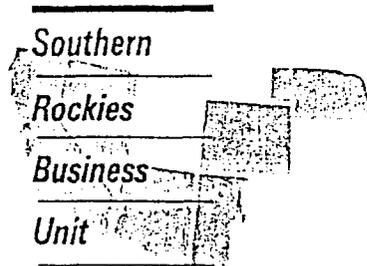




Lana
Tom

March 9, 1995



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

RECEIVED MAR 15 1995

Application For Compulsory Pooling
W/2 Section 12-T29N-R13W
Basin Fruitland Coal Pool
NW/4 Section 12-T29N-R13W and
SW/4 Section 12-T29N-R13W
Undesignated-West Kutz Pictured Cliffs Pool
San Juan County, New Mexico

Amoco Production Company hereby makes application for compulsory pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the W/2 of Section 12, T29N-R13W in the following manner: the W/2 thereby forming a standard 320 acre gas spacing and proration unit for the Basin Fruitland Coal Pool to be dedicated to the Burnham Gas Com /B/ #1 Well to be drilled at a standard location in the SW/4; the SW/4 thereby forming a standard 160 acre gas spacing and proration unit for the Undesignated-West Kutz Pictured Cliffs Pool also to be dedicated to the Burnham Gas Com /B/ #1 Well to be drilled at a standard location in the SW/4; and the NW/4 thereby forming a standard 160 acre gas spacing and proration unit for the Undesignated-West Kutz Pictured Cliffs Pool to be dedicated to the Burnham Gas Com /A/ #1 Well to be drilled at a standard location in the NW/4.

In support of this application, Amoco states that it is the owner of majority of the working interest in the Basin Fruitland Coal and Undesignated-West Kutz Pictured Cliffs Pools in the W/2 of Section 12, T29N-R13W and should be named operator of the above referenced wells. The hearing should also consider cost of drilling and completing said wells and allocation of such costs as well as actual operating costs and charges for supervision and a charge for risk involved in drilling said wells.

A copy of this application will be submitted to the owners of uncommitted leasehold interests by certified mail. Amoco respectfully requests that this application be set for hearing on the April 6, 1995 docket.

J. W. Hawkins
J. W. Hawkins

cc: Julie Jenkins



Southern

Rockies

Business

Unit

March 13, 1995

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Re: Fruitland Coal/Pictured Cliffs Well Proposal
Burnham Gas Com /B/ #1
W/2 of Section 12-T29N-R13W
San Juan County, New Mexico

RECEIVED MAR 13 1995

WORKING INTEREST OWNERS - ADDRESSEE LIST ATTACHED

Gentlemen:

Reference is made to our previous letter dated February 14, 1995 proposing to drill a Pictured Cliffs well in the SW/4 of Section 12-T29N-R13W, San Juan County, New Mexico. Amoco Production Company now wishes to propose to drill a Fruitland Coal/Pictured Cliffs downhole commingled well on the captioned acreage. The spacing unit for the Fruitland Coal well will be the W/2 of Section 12 and the spacing unit for the Pictured Cliffs formation will be the SW/4 of Section 12. Enclosed for your review are two AFE's outlining the estimated cost of the project. One AFE shows the costs that will be borne by the Fruitland Coal owners and the other shows costs that will be borne by the Pictured Cliffs owners. Also enclosed is a new Operating Agreement which we are proposing to use to govern the operations of this well. Exhibit "A" of the Operating Agreement sets forth what our records indicate your interest to be in the Fruitland Coal and Pictured Cliffs formations.

Please indicate your approval to join in this project by signing both the AFE and Operating Agreement and returning both to my attention as soon as possible. If you have any questions, please feel free to contact me at (303) 830-4844.

Yours very truly,

Julie Talbot Jenkins
Senior Land Negotiator

JAT/ms
encl.

ADDRESSEE LIST
Burnham Gas Com /B/ #1

Rosalind Redfern
P. O. Box 2127
Midland, TX 79702-2127

The Estate of John J. Redfern, Jr.
c/o John J. Redfern III, Independent Executor
P. O. Box 50896
Midland, TX 79710-0896

Kerr-McGee Corporation
P. O. Box 25861
Oklahoma City, OK 73125-0861

Jack Markham
1500 Broadway, Suite 1212
Lubbock, TX 79401-3192

Manon Markham McMullen
2200 Berkeley
Wichita Falls, TX 76308

Roderick Allen Markham
1500 Broadway, Suite 1212
Lubbock, TX 79401

Richardson Production Company
1700 Lincoln, Suite 1700
Denver, CO 80203

Estate of John J. Christmann, deceased
c/o Christmann Mineral Company
1500 Broadway, Suite 800
Lubbock, TX 79401-3104

Drilling Authorization

Property - Burnham Gas Com /B/ FT, Well# 1

SAN JUAN County, NEW MEXICO

Operating Field -

AMOCO Production Company

Property FLAC - 189553

Well FLAC -
Well Type - Gas

Operator: AMOCO PRODUCTION COMPANY

Operations Center: SAN JUAN OC

LPN#: 687774---

#:

AMOCO's Interest: 0.5000000

Contract#: 000000

Comments to Partners: This Cost estimate includes a portion of the drilling and facilities and the FT completion in the proposed PC/IT commingled dual. The other portion of the drilling and facilities will be allocated to the Pictured Cliffs working interest owners.

Targets - Total Depth: 1664

Horizon

Req. Field

Target Depth

FT

1140

Completion: Single

Surface Location: 850' RSL x 1230' NWL sec. 12 - T29N - R13W

Bottom Hole Location: Same

Cost Summary (Development)

	Gross Dry Hole	Gross Completion
Drilling Intangibles		
Drilling Cost:	\$18,000	\$18,000
Day Work:	\$1,080	\$3,180
Location:	\$2,500	\$2,500
Survey:	\$2,500	\$4,500
Mud:	\$3,500	\$3,500
Stimulation:	\$0	\$38,000
Other:	\$6,500	\$13,900
Total Intangible:	\$34,080	\$83,580
Well Equipment - Tangibles		
Casing:	\$4,250	\$4,250
Tubing:	\$0	\$2,300
Wellhead:	\$750	\$1,250
Other:	\$0	\$0
Total Tangible:	\$5,000	\$7,800
Contingency:	\$6,000	\$17,000
Associated Production Facility:		\$25,000
Direct Production Facility:		\$0
Total This Request:	\$45,080	\$133,380
Previous Estimate:	\$0	\$0
Total to Date Estimate:	\$45,080	\$133,380

Notice to Non-Operator: Cost shown on this estimate are estimates only. Non-Operators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

Non-Operator: _____

By: _____

Date: _____

Contacts:

Technical
GREG E GROTKE
P O BOX 800
DENVER, CO, 80201-0800
303-830-4079
303-830-4777 FAX

Business
Julie A Jenkins
P O BOX 800
DENVER, CO, 80201-0800
(303) 830-4844
(303) 830-4777 FAX

Drilling Authorization

Property - Burnham Gas Com /B/, Well# 1

SAN JUAN County, NEW MEXICO

Drilling Field -

AMOCO Production Company

Property FLAC - 189553

Well FLAC -
Well Type - Gas

Operator: AMOCO PRODUCTION COMPANY

Operations Center: SAN JUAN OC
AMOCO's Interest: 0.5000000

LPN#: 687774---
Contract#: 000000

Comments to Partners: This Cost estimate is revised to include a portion of the drilling and facilities and the PC completion in the proposed PC/PT commingled dual. The other portion of the drilling and facilities will be allocated to the Fruitland Coal working interest owners.

Requests - Total Depth: 1664
Horizon: EC Req. Field: Target Depth: 1381

Completion: Single

Surface Location: 850' YSL x 1230' NWL sec. 12 - T29N - R13W

Bottom Hole Location: Same

Cost Summary (Development)

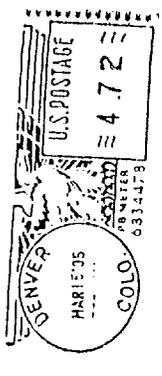
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Location:	\$2,500	\$2,500
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Mud:	\$3,500	\$3,500
Stimulation:	\$0	\$32,000
Other:	\$6,500	\$13,900
Total Intangible:	\$34,080	\$77,580
Well Equipment - Tangibles		
Casing:	\$4,250	\$4,250
Tubing:	\$0	\$2,300
Wellhead:	\$750	\$1,250
Other:	\$0	\$0
Total Tangible:	\$5,000	\$7,800
Contingency:	\$6,000	\$17,000
Associated Production Facility:		\$25,000
Direct Production Facility:		\$0
Total This Request:	\$45,080	\$127,380
Previous Estimate:	\$0	\$0
Total to Date Estimate:	\$45,080	\$127,380

Notice to Non-Operator: Cost shown on this estimate are estimates only. Non-Operators should consider these estimates as establishing a limit on the monies which will be required to perform the proposed operation.

Non-Operator: _____
By: _____ Date: _____

Contacts: Technical
GREG E GROTKE
P O BOX 800
DENVER, CO, 80201-0800
303-830-4079
303-830-4777 FAX

Business
Julie A Jenkins
P O BOX 800
DENVER, CO, 80201-0800
(303) 830-4844
(303) 830-4777 FAX



Fold at line over top of envelope to the right of the return address

CERTIFIED

Z 345 302 210

MAIL

Amoco Production Company
 P.O. Box 800
 Denver, Colorado 80201



RICHARDSON PRODUCTION COMPANY
 1700 LINCOLN #1700
 DENVER CO 80203

First Class Mail