

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11745 Exhibit No. 1

Submitted by: Amoco Production Company

Hearing Date: March 19, 1997

Amoco Supports Exploration to the Deep San Juan Basin

- Amoco does want to encourage more drilling to the formations below the Dakota
- We realize that there is an economic factor of deep drilling which makes one support larger spacing
- This prevents unnecessary drilling and provides for orderly development

We should space and locate wells on what we know, not what we want —

Historically, we have spaced small and moved to larger spacing as data is collected

In the fields that were noted in the Application, much data and wells were assembled before spacing was established