OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

May 28, 1996

Amoco Production Co. 501 Westlake Park Blvd. PO Box 4891 Houston, Tx. 77210

Attention: Mr. Jarrell

Re: Application for Administrative Approval of

Unorthodox Well Locations, BDCDG Unit Wells Nos. 1835-232D, 2135-302M, 2135-202M, 2134-243M, 2134-133M, 2234-342P and 2234-282P,

Union County, New Mexico

Dear Mr. Jarrell:

This office is in receipt of the above-referenced applications and has found them incomplete as per OCD Order No. R-10576. In order for these applications to be processed, Amoco will be required to identify all offsetting royalty interest owners and provide this office a certified statement stating whether or not these interest owners are committed to the Bravo Dome Carbon Dioxide Gas Unit. In the event that the offset royalty interest owners are not committed to this unit, additional notice to these interest owners will be required.

Should you have questions pertaining to this matter, please contact me at this office.

Sincerely

roy / johnson,

Sr. Petroleum Geologist

REJ/dr

FAX TRANSMISSION

DATE:

June 27, 1996

TO:

Roy Johnson (NMOCD District Supervisor)

FAX 505-827-8177- 488-3855

FROM:

Sam Culpepper (Amoco)

713-366-2361

RE:

Applications for Administrative Approval of Unorthodox Well

Locations

PAGES:

3, including cover

Attached is a statement from me regarding royalty interests in the adjoining and diagonal sections to the unorthodox well locations for the above-referenced applications. The original will follow through U.S. mail.

I hope this will meet your requirements for approval.

I will be on vacation next week, but I will be back in the office on Monday, July 8.

Thanks for your help in this matter.

Sam



Sam Culpepper Senior Business Analyst (713) 366-2361 (713) 366-7590 (FAX)

June 26, 1996

New Mexico Energy, Minerals & Natural Resources Department Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Attention: Roy E. Johnson

Re: Application for Administrative Approval of

Unorthodox Well Locations, BDCDG Unit Wells Nos. 1835-232D, 2135-302M, 2135-202M, 2134-243M, 2134-133M, 2234-342P and 2234-282P,

Union County, New Mexico

Dear Mr. Johnson:

In response to your letter of May 28, 1996, in regard to the above-referenced applications of which receipt was acknowledged, I have researched Amoco records involving the sections adjoining and diagonal to the unorthodox well locations detailed in the plats attached to the applications originally submitted to your office. Without reservation, I can state from my research that in every said section, there are no unleased mineral interests and all Amoco royalty interest owners are committed to the Bravo Dome Carbon Dioxide Gas Unit.

Since each working interest owner within the BDCDGU makes royalty settlement with its own royalty interest owners, Amoco has no records of royalty interest ownership for BDCDGU partners, however Amoco has sent copies of the above-referenced applications to each lessee of record (working interest owner) in the sections adjoining and diagonal to the unorthodox well locations, deemed "affected parties" under Amended Division Rule No. 104.F (Shell and Amerada Hess). In addition, Amoco has inquired of said BDCDGU working interest owners in sections adjoining and diagonal to the unorthodox well locations as to any uncommitted royalty interests and has received assurances that all of their royalty interest owners in those sections are committed to the unit.

Amoco Exploration and Production U.S.A. Operations Group

Permisa Basin Business Unit

501 WestLake Park Boulevard Post Office Box 4891 Houston, Texas 77210 Please, accept this statement as an addendum to the above-referenced applications, and based on the information contained herein, approve said Applications for Administrative Approval of Unorthodox Well Locations.

I appreciate your cooperation in this matter. If you have any questions or problems, please give me a call at 713-366-2361.

Sincerely,

Sam Culpepper

cc: Perry Jarrell

Shell Western E&P Inc. Amerada Hess Corp.