

FAX TRANSMISSION

DATE: June 27, 1996

TO: Roy Johnson (NMOCD District Supervisor)
FAX 505-827-8177 438-3855

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)

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

Permian Basin Business Unit

501 WestLake Park Boulevard
Post Office Box 4891
Houston, Texas 77210

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.

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 713-366-2351.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Culpepper", with a stylized, cursive script.

Sam Culpepper

cc: Perry Jarrell
Shell Western E&P Inc.
Amerada Hess Corp.