



Amoco Production Company

Western Division
1670 Broadway
Post Office Box 800
Denver, Colorado 80201
303-830-4040

J. C. Burnside
Division Production Manager

May 31, 1984

Union Texas Petroleum
Post Office Box 1290
Farmington, New Mexico 87499

Attention: R. D. Motto

File: DAW-464-417

Richardson No. 7
Section 3-T27N-R13W
San Juan County, New Mexico

In response to your letter dated May 8, 1984, our records indicate that Amoco owns an undivided 50% interest in the proposed drilling unit for the subject well. Please submit an AFE for the proposed well as required by the Operating Agreement.

Amoco is in agreement with your proposed non-standard location for the subject well since the well is a standard distance away from our lease in Section 34-T28N-R13W. However, Amoco does prefer that standard locations be used unless surface restrictions preclude such locations. If a well is drilled in the NW/4 of Section 3-T27N-R13W in the future, the well would also likely need to be in a non-standard location which would require approval from the lease owners to the west in Section 4 before the well could be drilled.

BAM/pjg

BAM

RECEIVED
JUL 27 1984
OIL CON. DIV.
DIST. 3