December 18, 1997

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P. O. Box 6429
Santa Fe, NM 87505

RECEIVED
DEC 22 1997
OIL CON. DIV.
DIST. 3

VIA Facsimile

Request to Produce
Deviated Wellbore DD-192
Wallace Gas Com #1
Unit H Section 35-T31N-R11W
Blanco Mesaverde Pool
San Juan County, New Mexico

On June 5, 1997 Amoco submitted an administrative application to the Santa Fe office of the NMOCD requesting approval to directionally drill this well under the then existing Rule 111.C. Amoco received approval to directionally drill this well via letter dated July 23, 1997 (NMOCD administrative order DD-192). The NMOCD revised Division General Rule 111 on July 14, 1997 providing for a 50-foot tolerance when a producing interval encroaches on the outer boundary of a project area. In drilling this well, Amoco exceeded the south setback by 42 feet (1892 FSL) as indicated on the attachment.

We respectively request that we be allowed to commence producing this well immediately since it meets the requirements of the current rule. Please advise Mike McMahen at our Farmington Operations Center at (505) 326-9231 if you concur with this request so we can get this well producing to the benefit of all parties as soon as possible. I am asking that you contact Mike as he will be in charge of this well during our holiday schedule.

Thank you for your assistance. Should you need to contact me during the holidays, I may be reached at my home at (303) 694-0847.

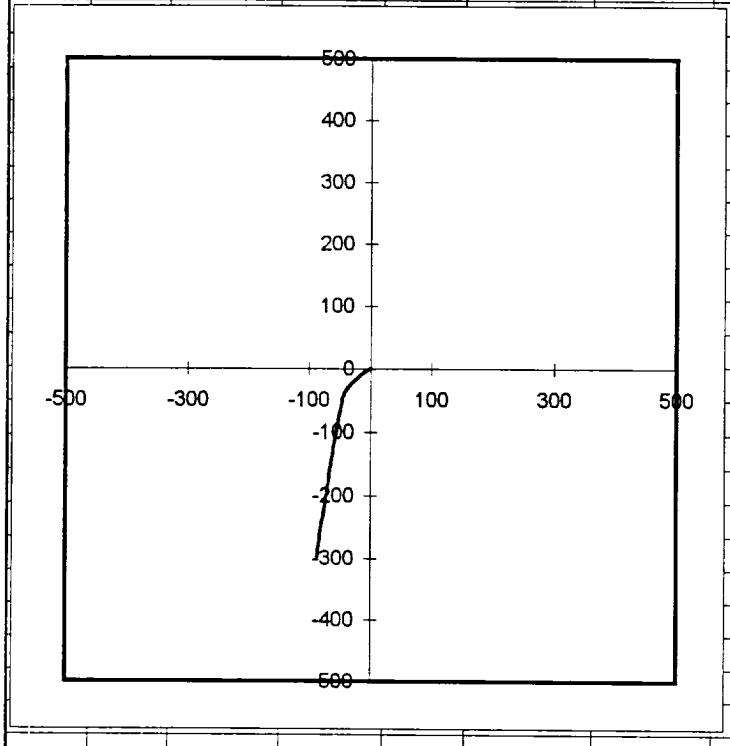
Sincerely,

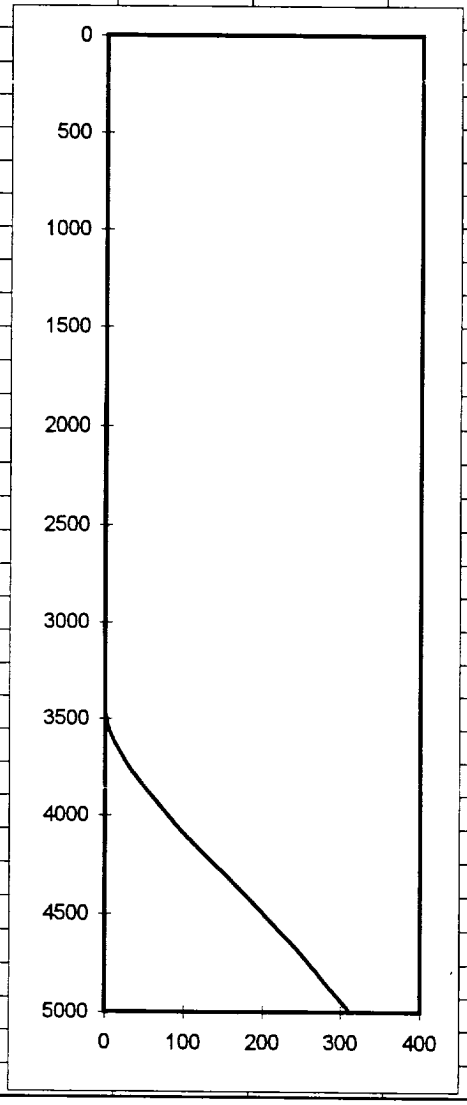
Pamela W. Staley
Regulatory Affairs Engineer

Attachment

Wallace Gas Com 1

md	angle	azimuth	hz disp	tvd	east disp	nrth disp	ft FEL	ft FNL		
0	0.0	0	0	0	0	0	790	1640		
3428	0.0	0	0	3428	0	0	790	1640		
3578	5.50	240	7	3578	-6	-4	796	1644		
3735	9.50	232	28	3733	-22	-16	812	1656		
3889	12.00	221	56	3885	-41	-38	831	1678		
4047	13.75	195	88	4039	-50	-72	840	1712		
4170	14.75	190	116	4158	-56	-102	846	1742		
4333	14.75	190	156	4316	-63	-143	853	1783		
4480	14.00	187	191	4458	-67	-179	857	1819		
4652	13.25	189	231	4625	-74	-219	864	1859		
4697	**12.97**	**190**	**241**	**4669**	**-75**	**-229**	**865**	**1869**	**TOP PERF**	
4806	**12.31**	**191**	**265**	**4775**	**-80**	**-252**	**870**	**1892**	**BOTTOM PERF**	
5020	11.00	189	309	4985	-86	-297	876	1937		





***Survey tool was damage following survey at 4652'.
Last survey was inclination only. It was assumed that azimuth did not change (this seems to be realistic considering the azimuth had not changed significantly in over 600').

***Surveys at perforations are estimates only.