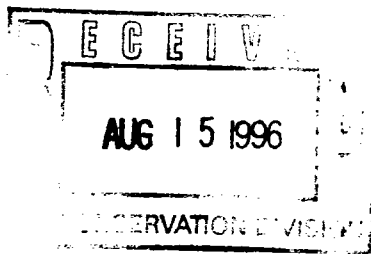




August 13, 1996

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P.O. Box 6429
Santa Fe, NM 87505



Southern

Rockies

Business

Unit

Application For Simultaneous Dedication and Unorthodox Location
Ute Indian Well A#26
625' FNL, 2620' FEL, Section 1-T31N-R14W
Ute Dome Dakota Pool
San Juan County, New Mexico

11605

Amoco Production Company hereby makes application for a hearing by the NMOCD for approval of simultaneous dedication and an unorthodox well location for the Ute Indian Well A#26 to be drilled in the Ute Dome Dakota Pool.

In support of this application, Amoco states the following:

1. Amoco is the operator of the Mountain Ute Gas Com C-1 Well which is completed as a producing gas well in the Dakota formation at a standard location in the northeast quarter of Section 1, T31N-R14W.
2. The Mountain Ute Gas Com C-1 Well is unable to drain the reserves under the NE/4 of said Section 1 due to faults in the Dakota formation which transverse the quarter section.
3. Amoco seeks an exception to NMOCD General Rule 104.C.3 and 104.D.3 to permit it to drill its proposed Ute Indian Well A#26 as a second well in the NE/4 of said Section 1 at an unorthodox location and simultaneously dedicate the NE/4 of Section one to the Mountain Ute Gas Com C-1 well.
4. Approval of this application and the drilling of the Ute Indian Well A#26 will enable Amoco to produce its just and fair share of the reserves under the NE/4 of said Section 1 and will otherwise be in the best interest of conservation and the protection of correlative rights.

Amoco requests that this matter be set for hearing before an examiner of the NMOCD on September 5, 1996. A copy of this application will be sent to the operator of all the offsetting quarter sections and to the BLM and the Ute Mountain Indian Tribe as notice. Should you have questions, do not hesitate to call me at (303) 830-5072.

Bill Hawkins

Bill Hawkins

cc: Mr. Jim Lovato
Minerals Staff Chief
Bureau of Land Management
701 Camino Del Rio
Durango, CO 81301

Mr. Craig Canfield, Director
Tribal Energy and Tax Administration
Ute Mountain Indian Tribe
P.O. Box 42
Towaoc, CO 81334



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Date **8/13** Time Sent **10:45**

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1 pages

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NMOCD
Santa Fe

FAX Number

FAX Operator's Number for Confirmation

F
R
O
M

Bill Hawkins
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FAX Telephone Number

(303) 830-4777

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Notes:



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