



NEW MEXICO ENERGY, MINERALS and *Oil* NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

May 2, 2001

Lori Wrotenbery
Director
Oil Conservation Division

30-045-30633

Amoco Production Company
San Juan Business Unit
501 West Lake Park Boulevard
Houston, Texas 77079-3092



Attention: Mary Corley

Re: Administrative application of Amoco Production Company for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987, as amended, by Division Orders No. R-10987-B and R-10987-B (1), for the Fields Well No. 4-M to be drilled at an unorthodox gas well location 2195 feet from the South line and 1390 feet from the East line (Unit J) of Section 28, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico, within a standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 28.

Dear Ms. Corley:

I, along with the Division's Aztec district office, have reviewed the subject application and the records of the New Mexico Oil Conservation Division ("Division") concerning this matter, please be advised that:

- STH*
- (1) with the inception of Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Order No. R-10987-B (1), dated August 10, 2000, most operators have been given an additional 28.10 acres on the surface within a single quarter section to locate Dakota gas wells at a location considered to be standard;
 - (2) in instances where a single wellbore is to be utilized in more than one producing horizon, the operator is expected to drill that well at a location considered to be standard for all intended zones and not just one of the intended formations with the expectation that this is reason enough for approval;
 - (3) the reason for locating this infill well is neither based on topography or geology and therefore does not qualify for administrative approval; and
 - (4) from the information provided, there appear to be areas within the 120 acres comprising the N/2 SE/4 and SE/4 SE/4 of Section 28 that this well can be drilled that satisfy the minimum setback requirements for a dually completed Dakota/third infill Mesaverde gas well.

DATE IN	4/12/01	SUSPENSE	5/2/01	ENGINEER	M.S	LOGGED	NW	TYPE	NSL
---------	---------	----------	--------	----------	-----	--------	----	------	-----

110641768

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

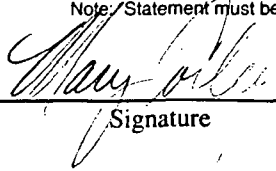
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

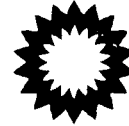
[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Mary Corley  Sr. Regulatory Analyst 04/10/2001
 Print or Type Name Signature Title Date



San Juan Business Unit
Amoco Production Company
A Part of the BP Amoco Group
501 WestLake Park Blvd.
Houston, TX 77079-3092

Phone: 281-366-4491

April 10, 2001

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

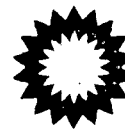
Application For Non-Standard Well Location
Fields Well No. 4M
2195' FSL, 1390' FEL, Section 28-T32N-R11W
Basin Dakota Gas Pool
San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval for an non-standard well location for our Fields well no. 4M to be drilled and completed in both the Basin Dakota and the Blanco Mesaverde Gas Pools and downhole commingled. The subject well will require a non-standard location exception for the Basin Dakota completion as the proposed location does not conform to the Dakota location requirements that stipulate that a well be located no closer than 660' to any outer boundary of the quarter section on which the well is located. The proposed well location is 445' from the north line of the quarter section as shown on the attached Form C-102.

We respectfully request than administrative approval be granted for this Dakota location as stated above our intention is to complete in both the Dakota and Mesaverde Pools and downhole commingle. An application will be made to commingle the Mesaverde and Dakota via a separate application. The well is outside the well location window for the Dakota by being too close to the interior quarter section line thereby crowding our own spacing unit. Amoco is the only affected party.

Additionally, we offer that the Dakota is not a viable stand-alone project. The Mesaverde in the area has been highly productive and poses some drainage concerns, particularly if the location is too close to current producers. By completing the well at the proposed location it conforms to Mesaverde spacing requirements, prevents waste in the Mesaverde, minimizes interference with other Mesaverde wells and allows maximum drainage and recovery of the Mesaverde resource.

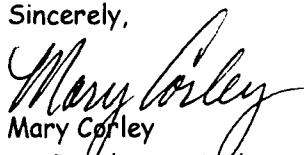
bp



Also attached for your reference is a 9 Section plat with the subject well and surrounding wells identified, a portion of a topographic map with the well identified, and a map indicating directions to the well location.

Your attention to this matter is greatly appreciated. Should you have any questions concerning this application please do not hesitate to call me at 281-366-4491.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary Corley", is positioned above the printed name.

Mary Corley
Sr. Regulatory Analyst
corleym1@bp.com

cc: Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Road
Aztec, NM 87410

District I
PO Box 1980, Hobbs NM 88241-1980
District II
PO Drawer KK, Artesia, NM 87211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
		71599 & 72319		BASIN DAKOTA & BLANCO MESAVERDE	
⁴ Property Code		⁵ Property Name			⁶ Well Number
000510		Fields			# 4M
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation
000778		AMOCO PRODUCTION COMPANY			6248

¹⁰ Surface Location

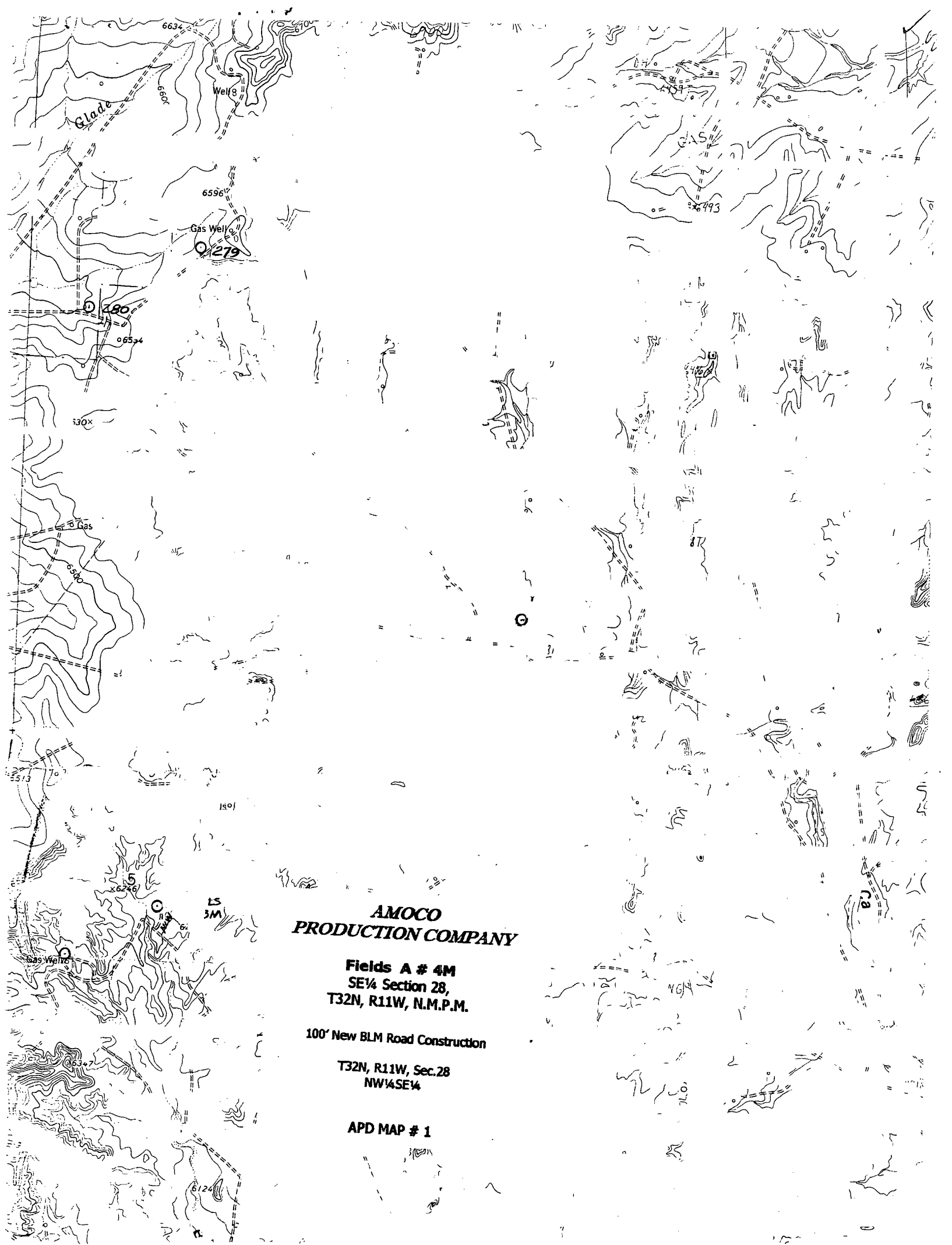
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	28	32 N	11 W		2195	SOUTH	1390	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

⁷ UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			
320.00									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	5066'	Fields #4R Pl. abandoned in 1993. * Currently in well	Fields #4R Pl. abandoned in 1993. * Currently in well	28	1390'	5049'	5066'	¹⁷ OPERATOR CERTIFICATION	
								I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
								Signature <i>Mary Corley</i>	
								Printed Name MARY CORLEY	
								Title SR. REGULATORY ANALYST	
								Date 04/09/2001	
								¹⁸ SURVEYOR CERTIFICATION	
								I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
								Date of Survey January 26, 2001	
								Signature and Seal of Professional Surveyor	
								7016	
								Certificate Number	



**AMOCO
PRODUCTION COMPANY**

**Fields A # 4M
SE¼ Section 28,
T32N, R11W, N.M.P.M.**

100' New BLM Road Construction

**T32N, R11W, Sec.28
NW¼SE¼**

APD MAP # 1