



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

June 27, 2001

Lori Wrotenbery

Director

Oil Conservation Division

**Amoco Production Company
BP Amoco/Western Gas Business Unit
P. O. Box 3092
Houston, Texas 77253-3092
Attention: Mary Corley**



Dear Ms. Corley:

Reference is made to the following: (i) your application dated May 8, 2001; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the file on Division Administrative Order NSL-4438: all concerning Amoco Production Company's ("Amoco") request for an unorthodox Pictured Cliffs gas well location for the existing Gallegos Canyon Unit "H" Well No. 180 (**API No. 30-045-07814**), located 1550 feet from the South line and 2130 feet from the East line (Unit J) of Section 28, Township 29 North, Range 12 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.

According to the Division's well records the Gallegos Canyon Unit "H" Well No. 180 was initially drilled in 1964 by Pan American Petroleum Corporation and completed in the Basin-Dakota Pool within a standard 320-acre, more or less, lay-down gas spacing and proration unit comprising the S/2 equivalent of Section 28 at location considered to be standard at the time (see Rule 2 of the *"Special Rules and Regulations for the Basin-Dakota Gas Pool"*, as promulgated by Division Order No. R-1670-C, issued in Case No. 2095 and dated November 4, 1960).

By Division Administrative Order NSL-4438, dated April 21, 2000, Amoco received authorization to recomplete this well at an unorthodox coal gas well location within a standard 320.37-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising the E/2 equivalent of Section 28.

It is our understanding that Amoco has abandoned its intent to recomplete this well into the Fruitland coal gas interval and now plans to test the Pictured Cliffs interval within a standard 160-acre gas spacing and proration unit comprising the SE/4 of Section 28 for the West Kutz-Pictured Cliffs Gas Pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.