



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 21, 1998

Amoco Production Company
P. O. Box 800
Denver, Colorado 80201-0800
Attention: Pamela Staley

E. 3-30N-10W

RECEIVED
DEC 22 1998
OIL CON. DIV.
DIST. 3

Administrative Order NSL-4182

Dear Ms. Staley:

Reference is made to your application dated November 18, 1998, which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on November 30, 1998, for an exception to the well location requirements provided within the "Special Rules and Regulations for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987, for a non-standard gas well location in an existing standard 325.94-acre stand-up gas spacing and proration unit for the Blanco-Mesaverde Pool comprising Lots 3, 6 through 8, and Lots 11 through 14 (W/2 equivalent) of Section 3, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico. This unit is currently dedicated to Amoco Production Company's: (i) Atlantic "B-LS" Well No. 8 (API No. 30-045-09806), the initial well on this unit, located at a standard gas well location 990 feet from the South and West lines (Lot 13/Unit Letter M) of Section 3; and, (ii) Atlantic "B-LS" Well No. 8-A (API No. 30-045-22975), located at a standard infill gas well location 1030 feet from the North line and 1550 feet from the West line (Lot 3/Unit Letter C) of Section 3.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox gas well location in Section 3 is hereby approved:

**Atlantic "B-LS" Well No. 8-B
2395' FNL & 1015' FWL (Lot 7/Unit Letter E)**

Further, Amoco Production Company is authorized to dedicate Blanco-Mesaverde gas production on the subject unit from the proposed Atlantic "B-LS" Well No. 8-B with the two existing Atlantic "B-LS" Wells No. 8 and 8-A. These three wells and the existing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MWA/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington



Amoco Production Company

Amoco Building
1670 Broadway
Post Office Box 800
Denver, Colorado 80201-0800
(303) 830-4040

November 18, 1998

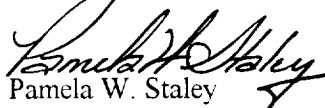
Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P.O. Box 6429
Santa Fe, NM 87505

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NOV 30 1998
OIL CON. DIV.
DIST. 3

Application For Unorthodox Location
Atlantic B LS #8B Well
2395' FNL, 1015' FWL
Unit E Section 3-T30N-R10W
E/2 Spacing Unit
Blanco Mesaverde Pool
San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval for an unorthodox well location for the Atlantic B LS #8B well in the Blanco Mesaverde Pool. Amoco plans to drill this well at an unorthodox location as a third well in the existing spacing unit to access reserves which would otherwise be bypassed with the current well density. This well, as proposed, would be moving toward the center line of the spacing unit only and would be well within the standard 790 foot setback from the outer boundaries of the spacing unit. We are locating this well toward the center of the spacing unit, away from the parent and original infill, which would cause it to fall outside the traditional drilling windows for the Blanco Mesaverde Pool.

A copy of this application will be submitted to the offset operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office. Attached are plats showing the location of the well, offset operators, and all Mesaverde wells drilled in the area.


Pamela W. Staley

Attachments

cc: Frank Chavez, Supervisor Mark Yamasaki, Amoco
 NMOCD District III Gail Jefferson, Amoco
 1000 Rio Brazos Road
 Aztec, NM 87410

WAIVER

_____ hereby waives objection to Amoco's application for an unorthodox well location for the Atlantic B LS #8B well described above.

By: _____

Date: _____

APPLICATION FOR APPROVAL OF UNORTHODOX LOCATION UNDER RULE 104-F

**Atlantic B LS #8B Well
2395' FNL, 1015' FWL
Unit E Section 3-T30N-R10W
E/2 Spacing Unit**

LIST OF ADDRESSES FOR OFFSET OPERATORS

Atlantic B LS #8B Well

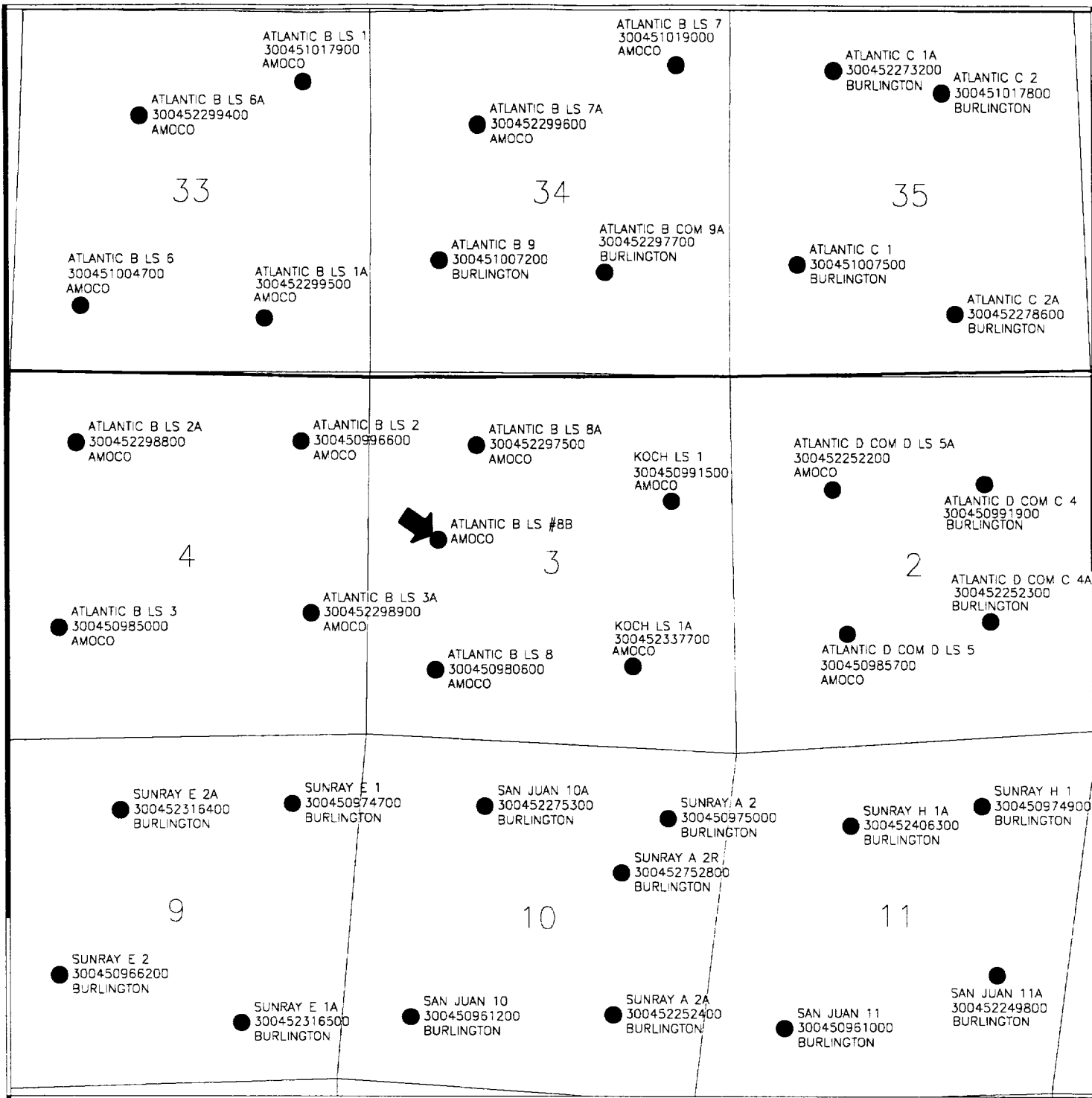
ATTACHMENTS:

- 9-SECTION PLAT SHOWING LOCATION OF ALL OFFSET WELLS
- FORM C-102 FOR MESAVERDE FORMATION
- LIST OF ALL OFFSET OPERATORS AND THEIR ADDRESSES

LIST OF ADDRESSES FOR OFFSET OPERATORS

Atlantic B LS #8B Well

I Burlington Resources Oil and Gas Co.
P.O. Box 4289
Farmington, NM 87499



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|---|------------------|---------|
| AMOCO PRODUCTION COMPANY | | |
| ATLANTIC B LS 8B - NEW DRILL MESAVERDE - NINE SECTION PLAT 30N-10W-3SW/NW | | |
| ALC | | 10/5/98 |
| | Scale 1:25097.59 | |