



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

August 18, 1999

Amoco Production Company
P. O. Box 3092
Houston, Texas 77253-3092
Attention: J. W. Hawkins

RECEIVED
AUG 20 1999

OIL CON. DIV.
DIST. 3

Administrative Order NSL-4345

Dear Mr. Hawkins:

Reference is made to the following: (i) your application dated July 14, 1999; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by e-mail from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe, dated July 29, 1999; (iii) your e-mail response of August 9, 1999; (iv) the additional information provided Mr. Stogner at a meeting in Santa Fe on August 18, 1999; and (v) the Division's records: all concerning Amoco Production Company's ("Amoco") request for an exception to the well location requirements provided within the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987-A, for a non-standard Blanco-Mesaverde infill gas well location in an existing standard 322.11-acre lay-down gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool comprising Lots 5 through 12 (N/2 equivalent) of Section 5, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico. This GPU is currently dedicated to Amoco's: (i) Atlantic "B-LS" Well No. 5 (API No. 30-045-09958), located at a standard gas well location 1017 feet from the North line and 1650 feet from the East line (Lot 6/Unit B) of Section 5; and (ii) Atlantic "L-BS" Well No. 5-A (API No. 30-045-23378), located at a standard gas well location 1040 feet from the North line and 840 feet from the West line (Lot 8/Unit D) of Section 5.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled as the second infill well on this GPU at an unorthodox gas well location in Section 5 is hereby approved:

Atlantic "B-LS" Well No. 5-B - 5-30N-10W
2090' FNL & 1580' FWL (Lot 10/Unit F).

Further, all three of the aforementioned Atlantic "B-LS" Well Nos. 5, 5-A, and 5-B and existing GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,

Lori Wrotenberg by DUC

Lori Wrotenberg
Director
LW/MES/kv

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