



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

April 21, 2000

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

Administrative Order NSL-4438

Dear Ms. Corley:

Reference is made to the following: (i) your application dated March 27, 2000; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe: all concerning Amoco Production Company's ("Amoco") request for an off-pattern non-standard Basin-Fruitland coal 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).

It is our understanding that Amoco intends to abandon the Dakota interval in this well at this time and to recompleat up-hole into the Basin-Fruitland Coal (Gas) Pool. Pursuant to the *"Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool,"* as promulgated by Division Order No. R-8768, as amended, the location of this well is considered to be unorthodox. Further, the E/2 equivalent of Section 28 is to be dedicated to this well in order to form a standard 320.37-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of these special pool rules the above-described unorthodox coal gas well location for the Gallegos Canyon Unit "H" Well No. 180 is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec