



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 2, 1995

**Amoco Production Company
Southern Rockies Business Unit
P.O. Box 800
Denver, Colorado 80201**

Attention: Pamela W. Staley

Administrative Order NSL-1440-A(NSP)

Dear Ms. Staley:

Reference is made to your application dated April 10, 1995 of an unorthodox gas well location for both the Blanco-Mesaverde and Otero-Chacra Pools for your existing Storey "C" Well No. 2-M (API No. 30-045-25322) which was drilled in October, 1982 as the Tenneco Oil Company Storey "C" Well No. 2E and completed in the Basin-Dakota Pool at an unorthodox gas well location (approved by Division Administrative Order NSL-1440, dated October 27, 1981) 1890 feet from the North line and 655 feet from the West line (Unit E) of Section 35, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico.

It is our understanding that Amoco intends to downhole commingle all three intervals in said well under authority of Division Administrative Order DHC-1128, dated May 11, 1995; and, pursuant to Division General Rule 104.C(3) and Rule 2(b) of the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool*", as promulgated by Division Order No. R-8170, as amended, said location is also unorthodox for both the Otero-Chacra and Blanco-Mesaverde intervals, respectively.

Lots 1 and 2, the NW/4, and the N/2 SW/4 (the W/2 equivalent) of said Section 35 being a non-standard 323.65-acre gas spacing and proration unit for the Blanco-Mesaverde Pool and the NW/4 of said Section 35 being a standard 160-acre gas spacing and proration unit for the Otero-Chacra Pool, are to be dedicated to said well.

Administrative Order NSL-1440-A (NSP)

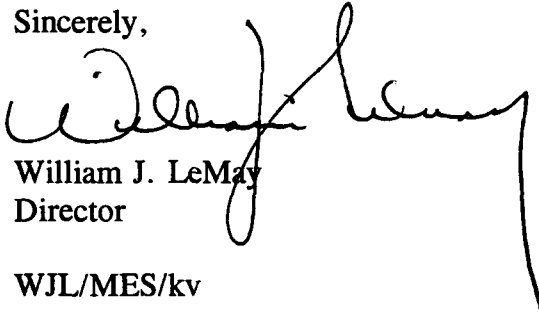
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By the authority granted me under the provisions of Rules 2(a)4 and 2(c) of said Special Pool Rules for the Blanco-Mesaverde Pool and Division General Rules 104.F(1), the above-described unorthodox gas well location and non-standard gas spacing unit are hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-1440
DHC-1128 ✓