



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

April 28, 1997

Amoco Production Company
San Juan Business Unit
P.O. Box 800
Denver, Colorado 80201
Attention: Pamela Staley, Regulatory Affairs Engineer

Administrative Order NSL-2160-A

Dear Ms. Staley:

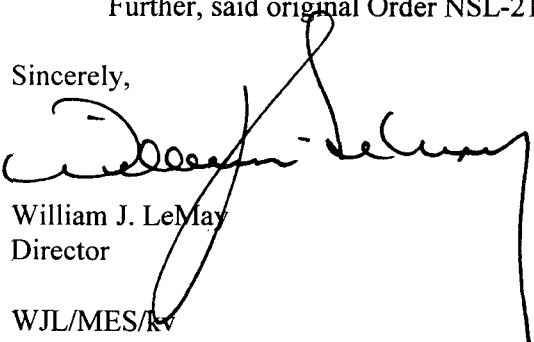
Reference is made to your application dated April 15, 1997 for a non-standard Basin-Fruitland coal gas well location for your existing Gallegos Canyon Unit Well No. 240-E (API No. 30-045-26341), which was drilled in 1985 and completed in the Basin-Dakota Pool at a previously approved unorthodox gas well location (see Division Administrative Order NSL-2160, dated October 1, 1985) 1010 feet from the North line and 1450 feet from the West line (Unit C) of Section 24, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico.

It is our understanding that the Dakota interval is to be plugged off and said well will then be recompleted up-hole into the Basin-Fruitland Coal (Gas) Pool, which pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*", as promulgated by Division Order No. R-8768, as amended, is also unorthodox. Further, the W/2 of said Section 24 is to be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Further, said original Order NSL-2160 shall be placed in abeyance until further notice.

Sincerely,


William J. LeMay
Director

WJL/MES/rv

cc: Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington
File: NSL-2160