



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 1, 1999

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

Administrative Order NSL-4296

Dear Mr. Hawkins:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on May 28, 1999; and (ii) the Division's 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 Com. "D" Well No. 160 (API No. 30-045-07832), located 1850 feet from the South line and 1190 feet from the East line (Unit I) of Section 27, 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 Com. "D" Well No. 160 was initially drilled in 1964 by Pan American Petroleum Corporation and completed at a standard initial gas well location in the Basin-Dakota Pool within a standard 320-acre lay-down gas spacing and proration unit comprising the S/2 of Section 30.

It is our understanding that Amoco intends to abandon the Dakota interval in this well at this time and to recomplete 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 S/2 of Section 27 is to be dedicated to this well in order to form a standard 320-acre lay-down 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 Com. "D" Well No. 160 is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

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