



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

December 5, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Amoco Production Company
501 West Lake Park Boulevard
Houston, Texas 77079-3092
Attention: Mary Corley
corleym@bp.com

Administrative Order NSL-2016-A

Dear Ms. Corley:

Reference is made to the following: (i) your application dated November 8, 2001 (*application reference No. pKRV0-131857452*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: 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 New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, of an unorthodox infill gas well for the existing Trigg Federal Gas Com. "B" Well No. 1 (**API No. 30-045-26364**), located 2105 feet from the South line and 875 feet from the East line (Lot 9/Unit I) of Section 15, Township 29 North, Range 9 West, NMPM, Blanco-Mesaverde Pool (**72319**), San Juan County, New Mexico.

According to the Division's well records, the Trigg Federal Gas Com. "B" Well No. 1 was drilled to a total depth of 7,584 feet in 1985 by Amoco and completed in the Basin-Dakota Pool. By Division Administrative Order NSL-2016, dated April 1, 1985, this unorthodox gas well location was approved as an initial well in the Basin-Dakota Pool within a standard 303.67-acre lay-down gas spacing and proration unit ("GPU") comprising Lots 9 through 16 (S/2 equivalent) of Section 15. It is our understanding that Amoco intends to perforate the Blanco-Mesaverde gas interval and recomplete this well such that production from both intervals will be commingled downhole upon issuance of this order.

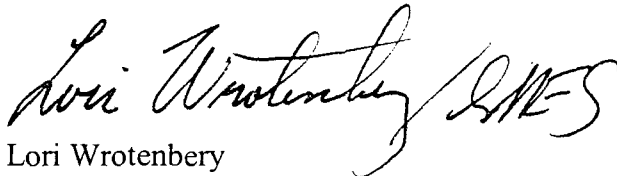
This Blanco-Mesaverde gas production is to be included within an existing standard 303.67-acre lay-down GPU that also comprises Lots 9 through 16 (S/2 equivalent) of Section 15 (which was the subject of Division Administrative Order NWU-132, dated May 27, 1955) and is currently dedicated to Amoco's: (i) Cole Gas Com. "A" Well No. 1 (**API No. 30-045-08240**), located at a standard gas well location 1470 feet from the South line and 1650 feet from the West line (Lot 11/Unit K) of Section 15; and (ii) Cole Gas Com. "A" Well No. 1-A (**API No. 30-045-22668**), located at a standard infill gas well location 800 feet from the South line and 1460 feet from the East line (Lot 15/Unit O) of Section 15.

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 above-described unorthodox Blanco-Mesaverde infill gas well location for the Trigg Federal Gas Com. "B" Well No. 1 is hereby approved. Further, all three of the aforementioned Cole Gas Com. "A" Wells No. 1 and 1-A and Trigg Federal Gas Com. "B" Well No. 1, and existing 303.67-acre 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.

Further, the provisions of Division Administrative Order NSL-2016 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in cursive script, reading "Lori Wrotenbery" followed by a stylized monogram "LWES".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-2615
NWU-132 /