

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

RECEIVED
JAN 23 1986
OIL CONSERVATION DIVISION
GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

January 23, 1986

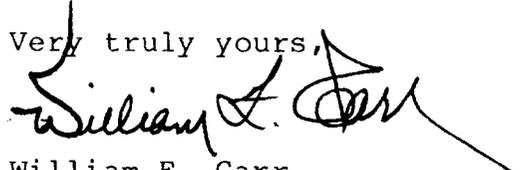
R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Re: Case 8822: Application of Amoco Production Company for
Special Pool Rules, Rio Arriba County, New Mexico.

Dear Mr. Stamets:

Enclosed please find our Entry of Appearance on behalf of
Amoco Production Company for filing in the above-referenced case.

Very truly yours,


William F. Carr

WFC/cv
enclosure

cc: Mr. Gary Paulson
(w/enclosure)

FILED

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF AMOCO PRODUCTION COMPANY FOR
SPECIAL POOL RULES, RIO ARRIBA
COUNTY, NEW MEXICO.

Case 8822

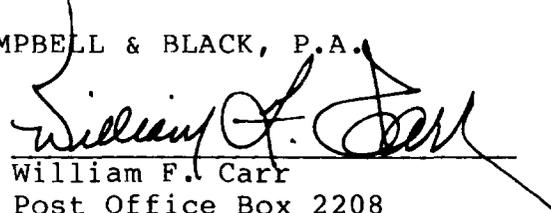
ENTRY OF APPEARANCE

Comes now, CAMPBELL & BLACK, P.A., and hereby enters its
appearance in the above-referenced cause for Amoco Production
Company.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421

ATTORNEYS FOR AMOCO PRODUCTION
COMPANY

MINEL, INC.

457-C WASHINGTON, SE • ALBUQUERQUE, NEW MEXICO 87108 • (505) 255-9984

January 31, 1986

Case 8822

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

Re: Case 8822, February 5, 1986 Hearing

Gentlemen:

Minel, Inc. objects to the application by AMOCO Production Company for the creation of a new pool and special pool rules for the Northeast Ojito Gallup Pool. It is our position that the existing Ojito Gallup-Dakota Pool will efficiently, economically and equitably drain the area and is in the best interest of the State of New Mexico.

Specifically we do not agree with the request to place greater restriction (as to well placement) outside the boundary of the proposed pool than within the boundaries of the proposed pool. Nor do we agree that 160 acre spacing is the most efficient, economic or equitable way to develop the area.

Sincerely,



R.G. Scanlon

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

February 11, 1986

HAND DELIVERED

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RECEIVED
FEB 13 1986
OIL CONSERVATION DIVISION
OIL CONSERVATION DIVISION

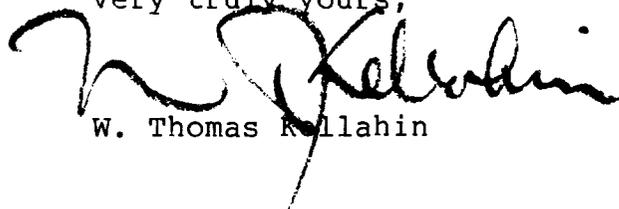
Mr. David R. Catanach
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Re: Application of Amoco Production
Company for Pool Creation and
Special Pool Rules.
NMOCD Case 8822

Dear Mr. Catanach:

On behalf of Union Texas Petroleum Corporation,
please find enclosed our proposed order for entry in
the referenced case which you heard on February 5,
1986.

Very truly yours,


W. Thomas Kellahin

WTK:mh
Enclosure

cc: Gary Paulson, Esq., (w/enc.)
Post Office Box 800
Denver, Colorado 80201

Bob Frank, (w/enc.)
Union Texas Petroleum
Post Office Box 1290
Farmington, New Mexico 87499

Al Kendrick, (w. enc.)
Post Office Box 516
Aztec, New Mexico 87410

STATE OF NEW MEXICO
ENERGY AND MINERAL DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR CREATION OF A
NEW POOL AND SPECIAL POOL RULES,
RIO ARRIBA COUNTY, NEW MEXICO.

CASE 8822

ORDER R-_____

UNION TEXAS PETROLEUM CORPORATION'S
PROPOSED ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:00 A.M. on February 5, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of February, 1986, the Division Director, having considered the testimony, the records and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) The Division has jurisdiction of this case and the subject matter thereof.

(2) The Applicant, Amoco Production Company, seeks the deletion of the Gallup formation underlying Sections 25, 26, 35 and 36, T26N, R3W, NMPM, from the Ojito Gallup-Dakota Oil Pool and the creation of a new oil pool and special pool rules including a provision for 160-acre spacing and one-half mile buffer zone around said new pool.

(3) That the advertisement and notice for the subject case is defective in that it failed to adequately notify any interested party that the subject acreage was to be deleted from the Ojitos Gallup-Dakota Oil Pool and that said pool was to be contracted.

(4) The Ojito Gallup-Dakota Oil Pool was created on June 1, 1972 by Division Order R-4311 and is spaced on 40-acre spacing and proration units.

(5) There are approximately 31 producing oil wells currently producing in the Ojito Gallup-Dakota Pool.

(6) Amoco seeks the creation of a new oil pool because some of the ten wells drilled by Amoco in the proposed new pool may have encountered fractured matrix systems resulting in higher initial potentials than some wells in the balance of the same common reservoir.

(7) Union Texas Petroleum Corporation and Minel, Inc., two operators in the area to be affected by Amoco's proposed new pool, did appear and presented evidence, testimony and arguments in opposition to the applicant.

(8) Amoco's expert witnesses admitted that the requested new pool area is a continuation of the same structure as shown in the Ojito Gallup-Dakota Oil Pool and does not constitute a separate and distinct source of supply.

(9) That the wells in the proposed new pool are correlative from well to well with wells in the remainder of the Ojito Gallup-Dakota Oil Pool providing a continuous common reservoir.

(10) That the applicant failed to provide any data, information, or calculations to indicate that one well would effectively and efficiently drain more than 40-acres.

(11) That applicant failed to provide sufficient evidence that additional hydrocarbons would be recovered on 160-acre spacing than would otherwise be recovered on 40-acre spacing.

(12) Applicant failed to provide sufficient evidence that continuation of 40-acre spacing in this common reservoir would cause the drilling of unnecessary wells.

(13) The applicant's evidence demonstrated that within its proposed new pool area there were Gallup wells that performed just like those found in the remainder of the Ojito Gallup-Dakota Oil Pool.

(14) That there is no rational basis for the creation of the new pool.

(15) That there is no rational basis for the establishment of a one-half mile buffer zone around the Amoco acreage as proposed for the new pool.

(16) That denial of the subject application and retention of the Ojito Gallup-Dakota Oil Pool throughout the area in question will not result in waste nor violation of correlative rights.

(17) Applicant's application is contrary to and violates the definition of a pool as set forth in the Oil Conservation Division Rules and Regulations.

(18) That the application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Amoco Production Company for the creation of a new pool and special pool rules is hereby denied.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

RICHARD L. STAMETS
DIRECTOR

(S E A L)



HANS DENVERCO
FEB 18, 1986

Amoco Production Company

Denver Region
1670 Broadway
P.O. Box 800
Denver, Colorado 80201
303-830-4040

Gary L. Paulson
Attorney

February 17, 1986

Mr. David Catanach, Examiner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

Re: Application of Amoco Production Company
For Special Pool Rules
Northeast Ojito Gallup Pool
Rio Arriba County, New Mexico - Proposed Order

Dear Mr. Catanach:

As requested, I have enclosed herein a proposed form of order (labeled "Alternative A") in the above-captioned matter. By carbon copy of this letter I am providing Mr. Kellahin with a copy.

If you should determine that a buffer zone cannot extend into the existing Ojito Gallup-Dakota Pool in Sections 1, 2 and 3-T25N-R3W, we would propose the attached alternate form of order (labeled "Alternative B") which would exclude a buffer zone in certain lands to the South of the proposed pool. This would seem to address the concerns raised by Minel, Inc. and Union of Texas Petroleum Company. Either form of order would be satisfactory to Amoco Production Company.

During the hearing questions were raised concerning whether this Order should be temporary or should be entered as a permanent Order. If it is determined to provide that this Order should be temporary, we would suggest that the Order be subject to review in March of 1987 at the same time that the Gavalin-Mancos Pool rules and spacing will be reconsidered. It seems probable that development between the two pools will result in a merger or near merger of the pools by that time and that it would be appropriate to consider both orders at the same time.

If I can be of any further assistance, please advise.

Thank you.

Yours very truly,

Gary L. Paulson

GLP:lls

cc: Tom Kellahin
Charles Boyce
Charles Krol

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8822
Order No.

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR POOL CREATION AND
SPECIAL POOL RULES, RIO ARRIBA
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing on February 5, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of _____, 1986, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Amoco Production Company, is the owner of certain oil and gas interests in Sections 25, 26, 35 and 36 in Township 26 North, Range 3 West, all in Rio Arriba County, New Mexico.

(3) The applicant seeks an order classifying the Northeast Ojito Gallup Pool as an oil pool underlying the following described lands in Rio Arriba County, New Mexico:

TOWNSHIP 26 NORTH, RANGE 3 WEST

Section 25: All
Section 26: All
Section 35: All
Section 36: All

hereinafter, the "Subject Lands"

(4) The applicant further seeks the promulgation of special pool rules for the proposed Northeast Ojito Gallup Pool including provisions for

160-acre spacing and proration units, designated well locations, appropriate exceptions to well location restrictions for existing wells, the placing of a restriction on lands within one-half mile of the pool boundary and permission to comingle the Dakota and Gallup (Mancos) formation fluids within the well bore in wells drilled within the pool boundaries.

(5) The evidence presented shows that the applicant has drilled or is drilling ten wells to the Gallup formation within the area sought to be established as the Northeast Ojito Gallup Pool and that four of these wells have been placed on production.

(6) The geologic evidence presented at the time of hearing indicates that the Gallup formation beneath the Subject Lands produces through natural fractures and that the Gallup formation under the Subject Lands is geologically distinct from the Gallup formation as it exists under lands in nearby Gallup Oil Pools.

(7) The geologic and engineering evidence presented indicates that one well producing from the Gallup formation underlying the Subject Lands will efficiently and economically drain 160 acres.

(8) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells and to prevent waste and protect correlative rights, special rules and regulations providing for 160-acre spacing units comprising a single governmental quarter section, being a legal subdivision of the United States Public Land Survey, should be promulgated for the proposed Northeast Ojito Gallup Oil Pool.

(9) At the time of the hearing the applicant requested that wells hereafter drilled in the proposed pool should be located not closer than 790 feet to the outer boundary of the spacing unit, nor nearer than 330 feet to the governmental quarter-quarter section line to assure orderly development of the pool and to protect correlative rights.

(10) That the vertical limits of the Northeast Ojito Gallup Pool should be defined as:

The Gallup formation between the depths of 6873 and 7923 as found in the Amoco Jicarilla A-118 No. 14 located in the NW/4 of Section 36, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.

(11) That appropriate exceptions to the well location requirements provided in paragraph 10 herein should be granted for any well permitted, drilling or drilled to the Gallup formation in the Northeast Ojito Gallup Oil Pool which is not in conformance to the setback provided therein.

(12) That in order to protect the correlative rights of the interest-

ed parties, it is necessary to adopt a restriction requiring that, within one-half mile of the Northeast Ojito Gallup Pool boundary, no more than one Gallup or Gallup-Dakota well shall be completed in any governmental quarter section or equivalent thereto.

(13) That the regulation permitting the comingling of Dakota and Gallup (Mancos) formation fluids within the well bore, should be continued so as to allow such comingling for any wells permitted, drilling or drilled within the Northeast Ojito Gallup Pool boundaries.

(14) That inasmuch as the applicant has heretofore experienced the shutting in of production from certain wells within the proposed pool boundaries as a result of the application of statewide regulations concerning oil allowables, this order should be made retroactive to the date of hearing of this case, that is, February 4, 1986.

(15) That an order based upon the above findings is in the best interest of conservation, should prevent waste and protect correlative rights and should, therefore, be entered in this case.

IT IS THEREFORE ORDERED THAT:

(1) Effective _____ the Northeast Ojito Gallup Oil Pool in Rio Arriba County, New Mexico, is hereby designated as an oil pool.

(2) That said Northeast Ojito Gallup Oil Pool is hereby defined to include the following described lands:

TOWNSHIP 26 NORTH, RANGE 3 WEST, RIO ARRIBA COUNTY, NEW MEXICO
Section 25: All
Section 26: All
Section 35: All
Section 36: All

(3) Special Rules and Regulations for the Northeast Ojito Gallup Oil Pool, Rio Arriba County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
NORTHEAST OJITO GALLUP OIL POOL

Rule 1. Each well completed or recompleted in the Northeast Ojito Gallup Pool within one-half mile thereof and not near to or within the limits of another designated Gallup Oil Pool, shall be spaced, drilled, operated and produced in accordance with the Special Rules and Regulations hereinafter set forth.

Rule 2. Each well shall be located on a standard unit containing 160 acres, more or less, substantially in the form of a square, which is a

quarter section being a legal subdivision of the United States Public Lands Survey.

Rule 3. The Division Director may grant an exception to the requirements of Rule 2 without hearing when an application has been filed for a non-standard unit consisting of less than 160 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

Rule 4. Each well shall be located not closer than 790 feet to the outer boundary of the proration unit nor closer than 330 feet to the governmental quarter-quarter section line.

Rule 5. The Division Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail at the time of filing, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

IT IS FURTHER ORDERED THAT:

(4) The locations of all wells presently drilling to or completed in the Northeast Ojito Gallup Oil Pool are hereby approved; the operator of any well having an unorthodox location shall notify the Aztec District Office of the Division in writing of the name and location of the well on or before _____.

(5) Pursuant to Paragraph A. of Section 70-2-18 NMSA (1978), existing wells in the Northeast Ojito Gallup Oil Pool shall have dedicated thereto 160 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

(6) Jurisdiction of this cause is retained for the entry of such

further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. STAMETS
Director

S E A L

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8822
Order No.

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR POOL CREATION AND
SPECIAL POOL RULES, RIO ARRIBA
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing on February 5, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of _____, 1986, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Amoco Production Company, is the owner of certain oil and gas interests in Sections 25, 26, 35 and 36 in Township 26 North, Range 3 West, all in Rio Arriba County, New Mexico.

(3) The applicant seeks an order classifying the Northeast Ojito Gallup Pool as an oil pool underlying the following described lands in Rio Arriba County, New Mexico:

TOWNSHIP 26 NORTH, RANGE 3 WEST

Section 25: All
Section 26: All
Section 35: All
Section 36: All

hereinafter, the "Subject Lands"

(4) The applicant further seeks the promulgation of special pool

rules for the proposed Northeast Ojito Gallup Pool including provisions for 160-acre spacing and proration units, designated well locations, appropriate exceptions to well location restrictions for existing wells, the placing of a restriction on lands within one-half mile of the pool boundary and permission to comingle the Dakota and Gallup (Mancos) formation fluids within the well bore in wells drilled within the pool boundaries.

(5) The evidence presented shows that the applicant has drilled or is drilling ten wells to the Gallup formation within the area sought to be established as the Northeast Ojito Gallup Pool and that four of these wells have been placed on production.

(6) The geologic evidence presented at the time of hearing indicates that the Gallup formation beneath the Subject Lands produces through natural fractures and that the Gallup formation under the Subject Lands is geologically distinct from the Gallup formation as it exists under lands in nearby Gallup Oil Pools.

(7) The geologic and engineering evidence presented indicates that one well producing from the Gallup formation underlying the Subject Lands will efficiently and economically drain 160 acres.

(8) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells and to prevent waste and protect correlative rights, special rules and regulations providing for 160-acre spacing units comprising a single governmental quarter section, being a legal subdivision of the United States Public Land Survey, should be promulgated for the proposed Northeast Ojito Gallup Oil Pool.

(9) At the time of the hearing the applicant requested that wells hereafter drilled in the proposed pool should be located not closer than 790 feet to the outer boundary of the spacing unit, nor nearer than 330 feet to the governmental quarter-quarter section line to assure orderly development of the pool and to protect correlative rights.

(10) That the vertical limits of the Northeast Ojito Gallup Pool should be defined as:

The Gallup formation between the depths of 6873 and 7923 as found in the Amoco Jicarilla A-118 No. 14 located in the NW/4 of Section 36, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.

(11) That appropriate exceptions to the well location requirements provided in paragraph 10 herein should be granted for any well permitted, drilling or drilled to the Gallup formation in the Northeast Ojito Gallup Oil Pool which is not in conformance to the setback provided therein.

(12) That in order to protect the correlative rights of the interested parties, it is necessary to adopt a restriction requiring that, within one-half mile of the Northeast Ojito Gallup Pool boundary, no more than one Gallup or Gallup-Dakota well shall be completed in any governmental quarter section or equivalent thereto. The following lands are included within the existing Ojito Gallup-Dakota Pool and should be excluded from the restricted area:

Sections 1, 2 and 3, Township 24 North, Range 3 West
Rio Arriba County, New Mexico

(13) That the regulation permitting the comingling of Dakota and Gallup (Mancos) formation fluids within the well bore, should be continued so as to allow such comingling for any wells permitted, drilling or drilled within the Northeast Ojito Gallup Pool boundaries.

(14) That inasmuch as the applicant has heretofore experienced the shutting in of production from certain wells within the proposed pool boundaries as a result of the application of statewide regulations concerning oil allowables, this order should be made retroactive to the date of hearing of this case, that is, February 4, 1986.

(15) That an order based upon the above findings is in the best interest of conservation, should prevent waste and protect correlative rights and should, therefore, be entered in this case.

IT IS THEREFORE ORDERED THAT:

(1) Effective _____ the Northeast Ojito Gallup Oil Pool in Rio Arriba County, New Mexico, is hereby designated as an oil pool.

(2) That said Northeast Ojito Gallup Oil Pool is hereby defined to include the following described lands:

TOWNSHIP 26 NORTH, RANGE 3 WEST, RIO ARRIBA COUNTY, NEW MEXICO

Section 25: All
Section 26: All
Section 35: All
Section 36: All

(3) Special Rules and Regulations for the Northeast Ojito Gallup Oil Pool, Rio Arriba County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
NORTHEAST OJITO GALLUP OIL POOL

Rule 1. Each well completed or recompleted in the Northeast Ojito

Gallup Pool within one-half mile thereof and not near to or within the limits of another designated Gallup Oil Pool, shall be spaced, drilled, operated and produced in accordance with the Special Rules and Regulations hereinafter set forth. The following lands are within the existing Ojito Gallup-Dakota Pool and should be excluded from the operation of this Rule:

Sections 1, 2 and 3, Township 25 North, Range 3 West
Rio Arriba County, New Mexico

Rule 2. Each well shall be located on a standard unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Lands Survey.

Rule 3. The Division Director may grant an exception to the requirements of Rule 2 without hearing when an application has been filed for a non-standard unit consisting of less than 160 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

Rule 4. Each well shall be located not closer than 790 feet to the outer boundary of the proration unit nor closer than 330 feet to the governmental quarter-quarter section line.

Rule 5. The Division Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail at the time of filing, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

IT IS FURTHER ORDERED THAT:

(4) The locations of all wells presently drilling to or completed in the Northeast Ojito Gallup Oil Pool are hereby approved; the operator of any well having an unorthodox location shall notify the Aztec District Office of the Division in writing of the name and location of the well on or before _____.

(5) Pursuant to Paragraph A. of Section 70-2-18 NMSA (1978), existing wells in the Northeast Ojito Gallup Oil Pool shall have dedicated thereto 160 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. STAMETS
Director

S E A L



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION

TONEY ANAYA
 GOVERNOR

March 21, 1986

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87501
 (505) 827-5800

Mr. Gary Paulson
 Amoco Production Company
 17th & Broadway
 Denver, Colorado 80202

Re: CASE NO. 8822
 ORDER NO. R-8188

Applicant:

Amoco Production Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
 Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
 Artesia OCD x
 Aztec OCD x

Other Thomas Kellahin
