



Southern

Rockies

Business

Unit

March 18, 1994

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87501

10953

**Application of Amoco Production Company
For A High Angle/Horizontal Directional Drilling Pilot
Project Area And Special Operating Rules Therefore,
San Juan County, New Mexico**

AMOCO PRODUCTION COMPANY ("Amoco") hereby makes application for approval of a high angle/horizontal directional drilling pilot project area and special operating rules therefore. In support of this application, Amoco states the following:

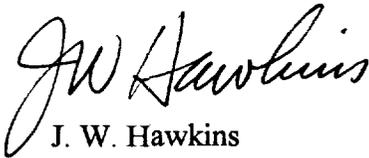
1. Amoco is the operator of the Mesaverde formation, Blanco-Mesaverde Pool, underlying the E/2 of Section 28, Township 30 North, Range 8 West, N.M.P.M., San Juan County, New Mexico, hereinafter referred to as the "Project Area."
2. Within the Project Area, Amoco seeks authority to:
 - (a) drill Gartner A-2R well as a replacement well for the Gartner A-2 well located 1650' FNL and 1500' FEL of Section 28, Township 30 North, Range 8 West;
 - (b) the Gartner A-2R well will be located at a surface location to be determined in the NE/4 of Section 28 but no closer than 790' to the boundary of the quarter section;
 - (c) use medium-radius drilling techniques to drill a high angle/horizontal well in the Mesaverde formation in a direction and lateral distance to be determined by Amoco;
 - (d) traverse quarter-quarter section line within the Project Area by its proposed wellbore; and

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- (e) drill the proposed horizontal wellbore to within 790' of the outer boundary of the Project Area.
- 3. Horizontal drilling within the Project Area should result in the recovery of significant volumes of oil and gas which was not recovered by the existing conventional vertical wellbores, thereby preventing waste.
- 4. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Amoco Production Company requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on April 14, 1994. A copy of this application will be sent to each of the operators of spacing units offsetting the Project Area by certified mail.

Sincerely,



J. W. Hawkins

cc:
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PO Box 4289
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