



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

October 28, 1986

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

Campbell & Black, P.A.
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

Attn: William F. Carr
Attorney for ACRO Oil
& Gas Company

Re: Administrative Order No. NGPA-47

Dear Mr. Carr:

Reference is made to your application dated September 4, 1986 on the behalf of ARCO Oil & Gas Company for retroactive exception to the date of first sale from the New Mexico Natural Gas Pricing Act under Section 62-7-5, NMSA, 1978, and Division Order No. R-5436 for the seventy-five (75) wells, described on the attachment, which produce from the Basin Dakota Gas Pool in the Gallegos Canyon Unit in San Juan County, New Mexico.

THE DIRECTOR OF THE DIVISION FINDS THAT:

(1). Amoco Production Company is the operator of each of the subject wells in which ARCO Oil & Gas Company owns a small interest (approximately 3%). Production from each of these wells is sold through a split stream connection, with Amoco's share being sold in interstate commerce and ARCO's share being sold in the intrastate market.

(2). Section 5 of the Natural Gas Pricing Act (being Secs. 62-7-1 to 62-7-10, NMSA 1978) provides that the Natural Gas Pricing Act shall not apply to the production and sale of natural gas in intrastate commerce from a well the drilling of or first intrastate sale of which commenced on or after January 1, 1975, provided however, that the Act shall apply to such a well if it is drilled within an established proration unit which was producing or capable of producing natural gas prior to January 1, 1975, from the same reservoir unless the Oil Conservation Division exempts such well upon a finding that such new well was justified for reasons other than avoiding the application of the Natural Gas Pricing Act.

(3). By Division Order No. R-5436, dated June 8, 1977, the Division established an administrative procedure whereby the Director of the Division is empowered to act for the Division and exempt gas wells from the provisions of Section 5 of the Natural Gas Pricing Act provided said wells were drilled on or after January 1, 1975, within established proration units which were producing or capable of producing natural gas from the same reservoir prior to January 1, 1975.

(4) To qualify for such exemption, under said Order No. 5436, a gas well must be classified either as a replacement or as an infill well.

(5). Pursuant to Order No. R-5436, the Director of the Division may find that a replacement well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:

- a. the well was necessary to replace a well lost due to economically irreparable down-hole mechanical failure or formation damage; or that,
- b. the well was necessary to replace a well producing at non-commercial rates; or that,
- c. the drilling of the well commenced prior to January 18, 1977.

(6). Pursuant to Order No. R-5436, the Director of the Division may find that an infill well is justified for reasons other than avoiding the pricing provisions of the Natural Gas Pricing Act upon a showing by the operator that:

- a. the well was drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase recoverable reserves under various proration units in such pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool; or that,
- b. the well is necessary to protect the proration unit from uncompensated drainage or to protect correlative rights; or that,
- c. the drilling of the well commenced prior to January 18, 1977.

(7). The applicant, on behalf of ARCO Oil and Gas Company, has requested exemption from the provisions of the New Mexico Natural Gas Pricing Act pursuant to Section 62-7-5, NMSA 1978, and Division Order No. R-5436 for the 75 subject wells as described on the attached page.

(8). All the requirements of said Order No. R-5436 have been complied with, and that said well is justified for the exception from the provisions of the Natural Gas Pricing Act inasmuch as said wells were not drilled for the purpose of avoiding the application of said act, but were in fact Infill Wells drilled in a pool where the Division, after notice and hearing, has issued an order finding that infill drilling in such pool will increase the recoverable reserves under the various proration units in the pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from the pool, said pool being the Basin-Dakota Pool and in order being Division Order No. R-1670-V.

IT IS THEREFORE ORDERED THAT:

(1). The seventy-five (75) wells, described on the attachment are hereby exempted from Section 5 of the Natural Gas Pricing Act (Secs. 62-7-1 to 62-7-10, NMSA 1978) retroactive to the date of first sale.

(2). Jurisdiction of this cause is hereby retained, and that this exemption is subject to rescission upon failure to comply with the provision of Rule 7(c) of Division Order No. R-5436.

DONE at Santa Fe, New Mexico on _____ day of October, 1986.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

xc: New Mexico Oil Conservation Division - Aztec
Paul , EMD
Marilyn O'Leary, PSC
Steven Asher, PSC
Jeff Talor, OCD
Jim Martin, PSC
Gary Epler, AG

Administrative Order No. NGPA - 47

BASIN DAKOTA POOL - INFILL WELLS
Operated by Amoco Production Company
GALLEGOS CANYON UNIT,
SAN JUAN COUNTY, NEW MEXICO

<u>WELL NO.</u>	<u>LOCATION</u> (Unit, Sec., Twp, Rng)
85-E	I-19-28N-12W
86-E	P-35-29N-13W
93-E	L-36-29N-12W
95-E	P-31-28N-11W
96-E	B-18-29N-12W
106-E	D-24-29N-13W
108-E	N-13-29N-13W
110-E	I-19-29N-12W
111-E	I-20-29N-12W
133-E	C-17-29N-12W
134-E	I-17-29N-12W
145-E	D-26-29N-12W
150-E	P-22-29N-12W
151-E	D-21-29N-12W
152-E	O-21-29N-12W
153-E	C-28-29N-12W
154-E	E-27-29N-12W
158-E	G-36-28N-13W
163-E	M-26-29N-13W
164-E	C-35-29N-13W
166-E	E-34-28N-12W
167-E	H-18-28N-11W
168-E	C-19-28N-11W
169-E	H-35-29N-12W
170-E	E-35-29N-12W
172-E	N-25-29N-12W
173-E	E-29-29N-12W
174-E	E-28-28N-12W
176-E	B-25-28N-13W
182-E	K-19-28N-11W
184-E	J-28-28N-12W
185-E	A-33-28N-12W
186-E	N-33-28N-12W
187-E	N-30-29N-12W
188-E	B-30-29N-12W
189-E	K-36-29N-13W
190-E	K-32-28N-12W
192-E	A-30-28N-12W
193-E	M-30-28N-12W
195-E	P-33-29N-12W
196-E	D-19-28N-12W

197-E	G-36-29N-13W
199-E	K-34-29N-12W
200-E	O-29-29N-12W
202-E	C-33-29N-12W
203-E	P-13-28N-12W
204-E	I-34-28N-12W
207-E	D-14-28N-12W
208-E	I-15-28N-12W
209-E	E-15-28N-12W
210-E	C-31-29N-12W
211-E	C-32-29N-12W
212-E	P-32-29N-12W
216-E	I-14-28N-12W
217-E	D-13-28N-12W
218-E	D-22-28N-12W
219-E	D-23-28N-12W
221-E	P-31-29N-12W
226-E	C-18-28N-12W
227-E	C-20-28N-12W
228-E	F-21-28N-12W
229-E	I-21-28N-12W
239-E	P-24-28N-13W
242-E	K-24-28N-12W
243-E	I-24-28N-12W
246-E	H-35-28N-12W
263-E	H-20-29N-12W
Com 94-E	A-23-29N-13E
Com 162-E	B-36-29N-12W
Com "B" 143-E	M-25-29N-12W
Com "D" 160-E	N-27-29N-12W
Com "E" 161-E	N-23-29N-13W
Com "G" 179-E	J-26-29N-12W
Com "H" 180-E	N-28-29N-12W
Com "I" 181-E	H-34-29N-12W

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF ARCO OIL AND GAS
COMPANY, A DIVISION OF ATLANTIC
RICHFIELD COMPANY, FOR THE EX-
EMPTION OF CERTAIN WELLS FROM
THE NEW MEXICO NATURAL GAS
PRICING ACT, SAN JUAN COUNTY,
NEW MEXICO.

RECEIVED

SEP 4 1986

OIL CONSERVATION DIVISION

No. _____

APPLICATION FOR EXEMPTION

I. Introduction

Arco Oil and Gas Company, a division of Atlantic Richfield Company ("Arco"), hereby requests that each of the Infill Wells identified on Exhibit C attached hereto and incorporated herein ("the subject wells") be exempted from the New Mexico Natural Gas Pricing Act ("the Act"), Sections 62-7-1 to 62-7-10, N.M.S.A., 1978. The application is made pursuant to Section 62-7-5 of that Act, and to the Oil Conservation Commission's Order No. R-5436.

II. Facts

1. Amoco Production Company ("Amoco") is the operator of each of the subject wells in which Arco owns a small interest (approximately 3%). Production from each of these wells is sold through a split stream connection, with Amoco's share being sold in interstate commerce and Arco's share being sold in the intrastate market.

2. Each of the subject wells is an infill well (being the second well to be drilled on a proration unit) in San Juan

County, New Mexico. Each proration unit and the location of each of the subject wells thereon is shown on the plat attached hereto as Exhibit B, submitted pursuant to Rule 5 of Order R-5436.

3. The first well to be drilled on each of the proration units described in paragraph 2 that was producing or capable of producing natural gas prior to January 1, 1975, is also set out on Exhibit C attached hereto.

4. The drilling of the subject wells was commenced on the dates set out on Exhibit C attached hereto and each well is completed for production in the Basin Dakota Pool.

5. Pursuant to Rule 7(a) of Order R-5436, Arco states that the drilling of each of the subject wells as an infill well in the Basin Dakota Gas Pool was permitted by Order No. R-1670-V of the Oil Conservation Commission (or of the Division). That infill order contains the findings required by Rule 7(a).

III. Certification

Pursuant to Rule 7(c) of Order R-5436, Amoco certifies that the ability of the first well to produce into the pipeline has not been and will not be restricted by Amoco, the operator of each of the wells, in any manner for the purpose of avoiding the application of the Act to sales of natural gas from that well. Amoco's certification is attached hereto as Exhibit A.

IV. Request

Arco requests the Division to enter an order (i) finding that the subject well was justified for reasons other than avoiding the application of the Act and (ii) exempting that well from the Act. Arco further requests that the exemption have effect retroactively from the date of first production of natural gas from the subject well up to and including the date this application is approved by the Division.

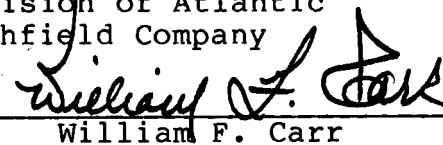
V. Conclusion

By its submission of this application, Arco in no way surrenders its right to argue (i) that promulgation of the infill order cited above in Paragraph II.5 was sufficient, under Section 62-7-5 of the Act, to exempt the subject well from the Act; or (ii) that the Division's determination that the subject well qualifies as a New Onshore Production Well under Section 103 of the Natural Gas Policy Act of 1978 (if, in fact, such a determination has been made) was sufficient under Section 62-7-5 of the Act, to exempt that well from the Act; or (iii) that Order R-5436 is unenforceable.

Respectfully submitted,

Arco Oil & Gas Company, a
Division of Atlantic
Richfield Company

By


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

Attorney for Arco Oil and Gas
Company

Date:

September 3, 1986

CERTIFICATION FOR:

Each of the wells shown on
Exhibit "A" hereto

The undersigned, an employee of Amoco Production Company ("Amoco"), certifies that:

1. Amoco is the operator of the captioned wells. Those wells are drilled in the Basin-Dakota Gas Pool. After notice and hearing the New Mexico Oil Conservation Commission issued its Order R-1670-V finding that infill drilling in that pool will increase the recoverable reserves under the various proration units in that pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from that pool.
2. The ability of the captioned wells to produce into any connected pipeline has not been restricted by Amoco in any manner for the purpose of avoiding the application of the New Mexico Natural Gas Pricing Act (Sections 62-7-1 through 62-7-9, NMSA 1978) to sales of natural gas from those wells.

This certification is made to satisfy requirements imposed by a State agency, namely, requirements imposed by the New Mexico Oil Conservation Commission in its order R-5436.

Signature:

J. H. Goble

Typed Name:

James H. Goble

Date:

6-23-86

Title within Amoco: Regional National Gas
Marketing Manager

EXHIBIT "A"

Existing Wells on Proration Units where
there are Infill Wells in which
ARCO Oil and Gas Company has an interest.

Gallegos Canyon Unit
AMOCO Production Company - Operator
Basin-Dakota Gas Pool
San Juan County, New Mexico
Oil Conservation Division Order R-1670-V

<u>Well</u>	<u>S-T-R</u>	<u>Well</u>	<u>S-T-R</u>
GCU 85	19-28N-12W	GCU 199	34-29N-12W
GCU 86	35-29N-13W	GCU 200	29-29N-12W
GCU 93	36-29N-12W	GCU 202	33-29N-12W
GCU 95	31-28N-11W	GCU 203	13-28N-12W
GCU 96	18-29N-12W	GCU 204	34-28N-12W
GCU 106	24-29N-13W	GCU 207	14-28N-12W
GCU 108	13-29N-13W	GCU 208	15-28N-12W
GCU 110	19-29N-12W	GCU 209	15-28N-12W
GCU 111	20-29N-12W	GCU 210	31-29N-12W
GCU 133	17-29N-12W	GCU 211	32-29N-12W
GCU 134	17-29N-12W	GCU 212	32-29N-12W
GCU 145	26-29N-12W	GCU 216	14-28N-12W
GCU 150	22-29N-12W	GCU 217	13-28N-12W
GCU 151	21-29N-12W	GCU 218	22-28N-12W
GCU 152	21-29N-12W	GCU 221	31-29N-12W
GCU 153	28-29N-12W	GCU 226	18-28N-12W
GCU 154	27-29N-12W	GCU 227	20-28N-12W
GCU 163	26-29N-13W	GCU 229	21-28N-12W
GCU 164	35-29N-13W	GCU 239	24-28N-13W
GCU 166	34-28N-12W	GCU 242	24-28N-12W
GCU 167	18-28N-11W	GCU 243	24-28N-12W
GCU 168	19-28N-11W	GCU 246	35-28N-12W
GCU 169	35-29N-12W	GCU 263	20-29N-12W
GCU 170	35-29N-12W	GCU Comm. 94	23-29N-13W
GCU 172	25-29N-13W	GCU Comm. B-143	25-29N-12W
GCU 173	29-29N-12W	GCU Comm. D-160	27-29N-12W
GCU 174	28-28N-12W	GCU Comm. E-161	23-29N-13W
GCU 176	25-28N-13W	GCU Comm. F-162	36-29N-12W
GCU 182	19-28N-11W	GCU Comm. G-179	26-29N-12W
GCU 184	28-28N-12W	GCU Comm. H-180	28-29N-12W
GCU 185	33-28N-12W	GCU Comm. I-181	34-29N-12W
GCU 186	33-28N-12W		
GCU 187	30-29N-12W		
GCU 188	30-29N-12W		
GCU 189	36-29N-13W		
GCU 190	32-28N-12W	GCU 158	36-28N-13W
GCU 192	30-28N-12W	GCU 193	30-28N-12W
GCU 195	33-29N-12W	GCU 219	23-28N-12W
GCU 196	19-28N-12W	GCU 228	21-28N-12W
GCU 197	36-29N-13W		

EXHIBIT "C"

Infill Wells - Gallegos Canyon Unit

<u>Infill Well</u>	<u>Location</u>	<u>SPUD Date</u>	<u>Original Well on the proration unit</u>
GCU No. 85E	19-28N-12W	04-21-83	GCU No. 85
GCU No. 86E	35-29N-13W	12-23-81	GCU No. 86
GCU No. 93E	36-29N-12W	04-12-80	GCU No. 93
GCU No. 95E	31-28N-11W	11-22-82	GCU No. 95
GCU No. 96E	18-29N-12W	10-16-81	GCU No. 96
GCU No. 106E	24-29N-13W	03-18-80	GCU No. 106
GCU No. 108E	13-29N-13W	03-27-80	GCU No. 108
GCU No. 110E	19-29N-12W	01-12-80	GCU No. 110
GCU No. 111E	20-29N-12W	08-23-80	GCU No. 111
GCU No. 133E	17-29N-12W	11-30-81	GCU No. 133
GCU No. 134E	17-29N-12W	10-29-81	GCU No. 134
GCU No. 145E	26-29N-12W	05-10-80	GCU No. 145
GCU No. 150E	22-29N-12W	03-02-80	GCU No. 150
GCU No. 151E	21-29N-12W	09-02-80	GCU No. 151
GCU No. 152E	21-29N-12W	11-03-80	GCU No. 152
GCU No. 153E	28-29N-12W	06-11-80	GCU No. 153
GCU No. 154E	27-29N-12W	03-12-80	GCU No. 154
GCU No. 158E	36-28N-13W	05-20-83	GCU No. 158
GCU No. 163E	26-29N-13W	12-29-81	GCU No. 163
GCU No. 164E	35-29N-13W	01-03-82	GCU No. 164
GCU No. 166E	34-28N-12W	09-23-80	GCU No. 166
GCU No. 167E	18-28N-11W	10-11-82	GCU No. 167
GCU No. 168E	19-28N-11W	10-24-81	GCU No. 168
GCU No. 169E	35-29N-12W	03-25-80	GCU No. 169
GCU No. 170E	35-29N-12W	03-10-80	GCU No. 170
GCU No. 172E	25-29N-13W	04-21-80	GCU No. 172
GCU No. 173E	29-29N-12W	04-08-80	GCU No. 173
GCU No. 174E	28-28N-12W	10-27-82	GCU No. 174
GCU No. 176E	25-28N-13W	04-10-83	GCU No. 176
GCU No. 182E	19-28N-11W	11-15-81	GCU No. 182
GCU No. 184E	28-28N-12W	07-29-80	GCU No. 184
GCU No. 185E	33-28N-12W	08-02-80	GCU No. 185
GCU No. 186E	33-28N-12W	12-15-81	GCU No. 186
GCU No. 187E	30-29N-12W	10-13-80	GCU No. 187
GCU No. 188E	30-29N-12W	04-02-80	GCU No. 188
GCU No. 189E	36-29N-13W	12-10-81	GCU No. 189
GCU No. 190E	32-28N-12W	11-06-82	GCU No. 190

EXHIBIT "C"

Infill Wells - Gallegos Canyon Unit

<u>Infill Well</u>	<u>Location</u>	<u>SPUD Date</u>	<u>Original Well on the proration unit</u>
GCU No. 192E	30-28N-12W	05-03-83	GCU No. 192
GCU No. 193E	30-28N-12W	05-12-83	GCU No. 193
GCU No. 195E	33-29N-12W	05-02-80	GCU No. 195
GCU No. 196E	19-28N-12W	05-13-80	GCU No. 196
GCU No. 197E	36-29N-13W	12-26-81	GCU No. 197
GCU No. 199E	34-29N-12W	10-02-80	GCU No. 199
GCU No. 200E	29-29N-12W	03-19-80	GCU No. 200
GCU No. 202E	33-29N-12W	09-12-80	GCU No. 202
GCU No. 203E	13-28N-12W	09-27-81	GCU No. 203
GCU No. 204E	34-28N-12W	12-31-81	GCU No. 204
GCU No. 207E	14-28N-12W	01-28-80	GCU No. 207
GCU No. 208E	15-28N-12W	02-05-80	GCU No. 208
GCU No. 209E	15-28N-12W	11-17-81	GCU No. 209
GCU No. 210E	31-29N-12W	04-28-80	GCU No. 210
GCU No. 211E	32-29N-12W	02-27-80	GCU No. 211
GCU No. 212E	32-29N-12W	11-13-81	GCU No. 212
GCU No. 216E	14-28N-12W	04-22-80	GCU No. 216
GCU No. 217E	13-28N-12W	09-12-81	GCU No. 217
GCU No. 218E	22-28N-12W	05-09-80	GCU No. 218
GCU No. 219E	23-28N-12W	06-02-83	GCU No. 219
GCU No. 221E	31-29N-12W	04-29-80	GCU No. 221
GCU No. 226E	18-28N-12W	11-03-81	GCU No. 226
GCU No. 227E	20-28N-12W	02-23-80	GCU No. 227
GCU No. 228E	21-28N-12W	06-12-83	GCU No. 228
GCU No. 229E	21-28N-12W	03-06-80	GCU No. 229
GCU No. 239E	24-28N-13W	11-17-82	GCU No. 239
GCU No. 242E	24-28N-12W	02-18-80	GCU No. 242
GCU No. 243E	24-28N-12W	01-01-82	GCU No. 243
GCU No. 246E	35-28N-12W	12-03-82	GCU No. 246
GCU No. 263E	20-29N-12W	11-12-81	GCU No. 263
GCU No. 94E	23-29N-13W	04-09-80	GCU No. 94
GCU No. 143E	25-29N-12W	05-22-80	GCU No. B-143
GCU No. 160E	27-29N-12W	12-05-81	GCU No. D-160
GCU No. 161E	23-29N-13W	11-29-82	GCU No. E-161
GCU No. 162E	36-29N-12W	12-20-81	GCU No. F-162

EXHIBIT "C"

Infill Wells - Gallegos Canyon Unit

<u>Infill Well</u>	<u>Location</u>	<u>SPUD Date</u>	<u>Original Well on proration unit</u>
GCU No. 179E	26-29N-12W	10-24-80	GCU No. G-179 ✓
GCU No. 180E	28-29N-12W	01-09-82	GCU No. H-180
GCU No. 181E	34-29N-12W	12-04-81	GCU No. I-181

CASE _____

NSP: SANTA FE
FARMINGTON

Application of Arco Oil and Gas Company , a
Division of Atlantic Richfield Company, for
the exemption of certain wells from the New
Mexico Natural Gas Pricing Act, San Juan County,
New Mexico.

Applicant, in the above-styled cause, seeks

Reverting Rough

Do Administrative

10/20/86

ANNUAL REPORT

OF THE

**NEW MEXICO OIL & GAS ENGINEERING
COMMITTEE**

HOBBS, NEW MEXICO

VOLUME II

Northwest New Mexico

1985

WELL S. T. R.	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC 1985	PROD	NP	ACCOM
E133C1729N12W	4898	7916	7142	6179	6745	5992	51	37	35	9695	6599	6692	61981	247648	
134M1729N12W	2024	1253	1149	920	1063	1111	1088	837	448	696	909	1038	12316	2363180	
E1341729N12W	4388	881	2862	3764	3816	3101	3569	3816	3178	2271	1441	4058	37183	123992	
135F2629N13W	2527	2617	2933	2152	2524	2599	1671	2414	1898	1716	2483	2061	27889	1766946	
E135G2629N13W	14	14	14	12	14	14	14	12	6	6	6	16	145	40878	
137P3628N13W	37	1183	1106	1782	1700	3251	808	952	790	568	694	890	11761	3210009	
E137N3628N13W														10500	
138P 728N11W	8911	6229	5119	5510	8496	6136	4721	6327	5235	2645	5478	5229	65029	4795829	
139P1828N11W	8104	2331	4243	2793	3769	2211	3021	3455	2918	1168	2850	3296	35181	2687243	
E139M1828N11W														30512	
145A2629N12W	4669	5274	5068	3105	5260	2970	5464	4837	4262	3183	3737	3479	61317	4571858	
E145D2629N12W	4513	2509	6332	5702	7294	1488	7745	8394	9325	6808	7043	3923	71072	362177	
1461 627N12W	2159	1917	2454	1404	3438	2546	2318	2965	1813	754	2447	2335	26546	1961364	
147P 427N12W	417	475	173	451	42	869	44	51	66	165	180	54	2987	1134875	
E147K 427N12W														6873	
150N2229N12W	659	590	2021	1953	1285	1875	1969	1547	2016	1066	321	90	411	411	
E150P2229N12W	999	550	1376	461	1037	1274	1066	1038	397	1659	809	268	10921	2720256	
151G2129N12W	3330	2312	1515	1521	652	734	2973	3538	3995	3538	3344	2816	29646	2918943	
E151D2129N12W	6292	4690	7955	5431	7177	4666	4764	4619	6180	5114	4532	4388	65808	19498	
152M2129N12W	9173	7178	5524	9474	1291	4720	6419	2496	4337	135	2378	9631	58656	441451	
E152D2129N12W	4510	5129	4386	5055	1742	3241	4605	2209	2764	35	2039	5126	40843	284937	
15382829N12W	226	37	87	3147	2641	2296	3123	1921	5021	2842	2959	4389	28843	4687997	
E153C2829N12W	6456	1478	3718	9570	11628	7513	7843	8675	5511	10067	6251	8978	87882	375202	
15482729N12W	4791	2488	3526	3380	2718	1776	3402	3249	2929	3374	3763	3561	38957	5280804	
E154E2729N12W	3023	5298	2799	2157	2765	1195	2225	4929	4252	3192	3838	4055	39728	307944	
155N2328N13W	436	399	496	484	587	493	802	706	35	36	263	1085	9824	564543	
E155E2328N13W	20	20	20	20	20	20	20	8	6	15	20	183	183	3080	
156D2628N13W	6841	4325	5203	4266	4967	4637	4857	4399	3930	3330	4889	5063	54705	2770603	
15783528N13W	3133	3378	3259	2793	3688	3458	3028	3711	2671	2831	3277	3110	38411	2234083	
E157E3528N13W														8862	
158E3628N13W	37	37	37	74	37	37	36	36	35	36	37	37	476	1991236	
E158G3628N13W	3811	3065	2771	3445	3623	3157	2725	3233	2521	2557	2569	2850	36327	118421	
159F3128N12W	999	831	837	759	778	514	755	677	587	597	657	721	8712	3185592	
E159L3128N12W	1585	6647	5128	6629	6683	4708	5315	3715	5560	2039	2355	2053	52417	122913	
16302629N13W	3963	3564	3308	2886	3757	3168	1889	2770	3841	3559	2708	3244	38460	2054732	
E163M2629N13W	4363	4337	4967	3845	4597	4035	1984	1834	3070	2128	4798	4218	44156	159691	
164M3529N13W	2666	2873	2733	2593	3253	2704	2653	3291	2432	2393	3309	2626	33526	1409328	
E164C3529N13W	1282	1317	1543	808	2230	1507	1889	1959	1610	1373	1707	1486	18711	75900	
165H2928N12W	7705	7427	5520	4067	3873	4233	4058	5120	6349	3457	3987	3020	58846	4670694	
E165P2928N12W	116	44	3	4	23	14	3	28	28	13	32	9	342	22870	
166K3428N12W	9303	4569	1142	568	24	24	1385	7148	22	47	63	60	424	424	
E166E3428N12W	16267	7906	889	481	24	24	2297	8272	22	23	24	1985	38214	129448	
167C1828N11W	5748	5409	5524	3090	5008	6813	4559	4242	2447	1579	2371	2032	48822	4258973	
E167H1828N11W	298	3111	3846	3765	6437	5282	4856	5780	4739	2101	4158	444	51558	204443	
168A1928N11W	2472	1589	3075	9138	4149	2978	3469	6820	6135	1897	6481	6246	50443	3208738	
E168C1928N11W	13141	9501	12975	9154	8230	6742	9229	13209	9779	3801	11123	11742	118626	802080	
16913529N12W	1975	1239	1511	1331	2094	950	1762	1256	966	792	1234	977	16087	2925623	
E169H3529N12W	5903	5001	4902	2975	5294	2420	4377	5028	3668	2643	4782	354	50533	272879	
170K3529N12W	6314	4045	2565	3471	670	659	1711	7162	6639	1621	3278	6418	44505	3676323	
E170E3529N12W	7305	7766	3747	4499	1517	823	731	10833	9804	2461	6998	8595	65299	512769	
171D2529N13W	3626	3105	3405	2702	3402	3073	2964	3313	3033	1311	3905	3136	37002	1598163	
	33	10	14	14	10	8	8	7	23	6	11	13	121	19789	

WELL	S	T	R	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC 1985	PROD	PP	ACCUIN
172P2929N13W	GAS	6805	4765	6628	5962	2801	1935	6849	5544	4389	2792	6417	4969	59837	3221098			
E172N2529N13W	GAS	8785	6605	11405	8099	5869	2468	10536	10754	5413	1511	12127	9068	94649	423031			
173A2929N12W	GAS	2945	2923	2764	2118	2277	2360	2022	2370	2320	2292	2088	1633	28317	3746505			
E173E2929N12W	GAS	3551	1302	1198	2613	2409	2905	3823	2131	2344	653	3178	2567	28002	171270			
174K2828N12W	GAS	6274	5156	4522	3833	4477	4003	2911	4490	3471	4088	3999	3570	93959	3565183			
E174E2828N12W	GAS	7721	1256	3932	1467	1320	3867	5161	4380	5364	6129	3100	3634	39002	116429			
17512528N13W	GAS	987	1141	1129	1013	1086	1054	1074	1171	1044	1062	1023	876	12664	4087033			
E175N2528N13W	GAS																	
176C2528N13W	GAS	4707	3434	3774	2450	2259	1700	1610	2969	1646	1051	1711	1731	29042	2135263			
E176B2528N13W	GAS	3449	3817	3915	3149	4264	5813	4888	4900	3854	4193	3413	3570	49238	99563			
177P3128N12W	GAS	1944	1803	1861	2049	2011	1763	1804	1843	1770	1631	1404	1370	21257	6147723			
178D 427N12W	GAS	2158	2175	2222	1895	785	2305	2026	1749	1452	1467	1493	1735	21454	1740549			
E178G 427N12W	GAS																	
18211928N11W	GAS	1037	659	820	844	788	643	639	844	811	678	789	750	9302	739700			
E182K1928N11W	GAS	673	814	611	1354	1544	2020	2153	1960	1674	465	1744	2109	17121	159676			
E183C 927N12W	GAS																	
184A2828N12W	GAS	6325	5055	4736	3830	1972	3206	5421	4525	3395	772	2457	8667	90361	2816059			
E184J2828N12W	GAS	5305	5032	5754	3780	1913	3852	5316	4334	3202	787	2276	8458	50005	273351			
185D3328N12W	GAS	1618	6578	3763	2973	1002	3250	3506	448	23	5764	4720	33665	1499966				
E185A3328N12W	GAS	2144	1881	13016	10230	4216	124	11940	14951	1779	23	27202	22076	145716	540261			
18613328N12W	GAS	4391	4004	3209	3768	2729	1845	2119	1974	2418	314	2544	2897	32212	3309878			
E186N3328N12W	GAS	4324	11675	2573	11495	5977	4255	7281	7086	8741	1316	10186	5392	60301	357621			

EXHIBIT "C"

Infill Wells - Gallegos Canyon Unit

<u>Infill Well</u>	<u>Location</u>	<u>SPUD Date</u>	<u>Original Well on proration unit</u>
GCU No. 179E	26-29N-12W	10-24-80	GCU No. G-179
GCU No. 180E	28-29N-12W	01-09-82	GCU No. H-180
GCU No. 181E	34-29N-12W	12-04-81	GCU No. I-181

EXHIBIT "C"

Infill Wells - Gallegos Canyon Unit

<u>Infill Well</u>	<u>Location</u>	<u>SPUD Date</u>	<u>Original Well on the proration unit</u>
GCU No. 192E	30-28N-12W	05-03-83	GCU No. 192
GCU No. 193E	30-28N-12W	05-12-83	GCU No. 193
GCU No. 195E	33-29N-12W	05-02-80	GCU No. 195
GCU No. 196E	19-28N-12W	05-13-80	GCU No. 196
GCU No. 197E	36-29N-13W	12-26-81	GCU No. 197
GCU No. 199E	34-29N-12W	10-02-80	GCU No. 199
GCU No. 200E	29-29N-12W	03-19-80	GCU No. 200
GCU No. 202E	33-29N-12W	09-12-80	GCU No. 202
GCU No. 203E	13-28N-12W	09-27-81	GCU No. 203
GCU No. 204E	34-28N-12W	12-31-81	GCU No. 204
GCU No. 207E	14-28N-12W	01-28-80	GCU No. 207
GCU No. 208E	15-28N-12W	02-05-80	GCU No. 208
GCU No. 209E	15-28N-12W	11-17-81	GCU No. 209
GCU No. 210E	31-29N-12W	04-28-80	GCU No. 210
GCU No. 211E	32-29N-12W	02-27-80	GCU No. 211
GCU No. 212E	32-29N-12W	11-13-81	GCU No. 212
GCU No. 216E	14-28N-12W	04-22-80	GCU No. 216
GCU No. 217E	13-28N-12W	09-12-81	GCU No. 217
GCU No. 218E	22-28N-12W	05-09-80	GCU No. 218
GCU No. 219E	23-28N-12W	06-02-83	GCU No. 219
GCU No. 221E	31-29N-12W	04-29-80	GCU No. 221
GCU No. 226E	18-28N-12W	11-03-81	GCU No. 226
GCU No. 227E	20-28N-12W	02-23-80	GCU No. 227
GCU No. 228E	21-28N-12W	06-12-83	GCU No. 228
GCU No. 229E	21-28N-12W	03-06-80	GCU No. 229
GCU No. 239E	24-28N-13W	11-17-82	GCU No. 239
GCU No. 242E	24-28N-12W	02-18-80	GCU No. 242
GCU No. 243E	24-28N-12W	01-01-82	GCU No. 243
GCU No. 246E	35-28N-12W	12-03-82	GCU No. 246
GCU No. 263E	20-29N-12W	11-12-81	GCU No. 263
GCU No. 94E	23-29N-13W	04-09-80	GCU No. 94
GCU No. 143E	25-29N-12W	05-22-80	GCU No. B-143
GCU No. 160E	27-29N-12W	12-05-81	GCU No. D-160
GCU No. 161E	23-29N-13W	11-29-82	GCU No. E-161
GCU No. 162E	36-29N-12W	12-20-81	GCU No. F-162

EXHIBIT "C"

Infill Wells - Gallegos Canyon Unit

<u>Infill Well</u>	<u>Location</u>	<u>SPUD Date</u>	<u>Original Well on the proration unit</u>
GCU No. 85E✓	19-28N-12W	04-21-83	GCU No. 85
GCU No. 86E✓	35-29N-13W	12-23-81	GCU No. 86
GCU No. 93E✓	36-29N-12W	04-12-80	GCU No. 93
GCU No. 95E✓	31-28N-11W	11-22-82	GCU No. 95
GCU No. 96E✓	18-29N-12W	10-16-81	GCU No. 96
GCU No. 106E✓	24-29N-13W	03-18-80	GCU No. 106
GCU No. 108E✓	13-29N-13W	03-27-80	GCU No. 108
GCU No. 110E✓	19-29N-12W	01-12-80	GCU No. 110
GCU No. 111E✓	20-29N-12W	08-23-80	GCU No. 111
GCU No. 133E✓	17-29N-12W	11-30-81	GCU No. 133
GCU No. 134E✓	17-29N-12W	10-29-81	GCU No. 134
GCU No. 145E✓	26-29N-12W	05-10-80	GCU No. 145
GCU No. 150E✓	22-29N-12W	03-02-80	GCU No. 150
GCU No. 151E✓	21-29N-12W	09-02-80	GCU No. 151
GCU No. 152E✓	21-29N-12W	11-03-80	GCU No. 152
GCU No. 153E✓	28-29N-12W	06-11-80	GCU No. 153
GCU No. 154E✓	27-29N-12W	03-12-80	GCU No. 154
GCU No. 158E✓	36-28N-13W	05-20-83	GCU No. 158
GCU No. 163E✓	26-29N-13W	12-29-81	GCU No. 163
GCU No. 164E✓	35-29N-13W	01-03-82	GCU No. 164
GCU No. 166E✓	34-28N-12W	09-23-80	GCU No. 166
GCU No. 167E✓	18-28N-11W	10-11-82	GCU No. 167
GCU No. 168E✓	19-28N-11W	10-24-81	GCU No. 168
GCU No. 169E✓	35-29N-12W	03-25-80	GCU No. 169
GCU No. 170E✓	35-29N-12W	03-10-80	GCU No. 170
GCU No. 172E✓	25-29N-13W	04-21-80	GCU No. 172
GCU No. 173E✓	29-29N-12W	04-08-80	GCU No. 173
GCU No. 174E✓	28-28N-12W	10-27-82	GCU No. 174
GCU No. 176E✓	25-28N-13W	04-10-83	GCU No. 176
GCU No. 182E✓	19-28N-11W	11-15-81	GCU No. 182
GCU No. 184E✓	28-28N-12W	07-29-80	GCU No. 184
GCU No. 185E✓	33-28N-12W	08-02-80	GCU No. 185
GCU No. 186E✓	33-28N-12W	12-15-81	GCU No. 186
GCU No. 187E✓	30-29N-12W	10-13-80	GCU No. 187
GCU No. 188E✓	30-29N-12W	04-02-80	GCU No. 188
GCU No. 189E✓	36-29N-13W	12-10-81	GCU No. 189
GCU No. 190E✓	32-28N-12W	11-06-82	GCU No. 190

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

SEP 4 1986

OIL CONSERVATION DIVISION

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

September 4, 1986

HAND DELIVERED

Mr. R. L. Stamets, Director
Oil Conservation Division
N. M. Department of Energy and Minerals
State Land Office Building
Santa Fe, New Mexico 87503

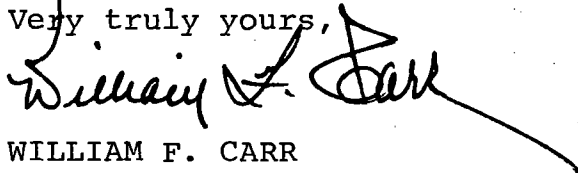
Dear Mr. Stamets:

Enclosed is the application of Arco Oil and Gas Company for the exemption of certain infill wells from the New Mexico Natural Gas Pricing Act. This application seeks exemption for the intrastate sales from each of 75 wells which produce from the Basin-Dakota Gas Pool in the Gallegos Canyon Unit, San Juan County, New Mexico. Arco seeks exemption retroactively from the date of first production of natural gas from each of the subject wells.

By copy of this letter, a copy of this application is being sent to the Aztec New Mexico District Office of the Oil Conservation Division, pursuant to Rule 9 of the Special Rules and Regulations of the Natural Gas Pricing Act, Section VI, Administrative Exemption Procedure.

Your attention to this application is appreciated.

Very truly yours,


WILLIAM F. CARR

Encl.

cc w/encl.: Mr. Frank T. Chavez
Oil Conservation Division District 3

cc w/encl.: (cy of plat not available):
Mr. Russ Jones, Esq.
Mr. Jim Kappasolotro



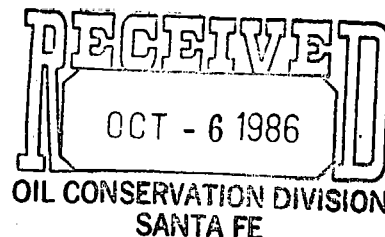
NEW MEXICO

Public Service Commission

MARIAN HALL - 224 EAST PALACE AVENUE

Santa Fe, New Mexico

87503
(505) 827-6940



TONEY ANAYA
GOVERNOR

October 3, 1986

Mr. Jeff Taylor, Esq.
General Counsel
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: ARCO Oil & Gas Company request for retroactive
exemptions from the Natural Gas Pricing Act

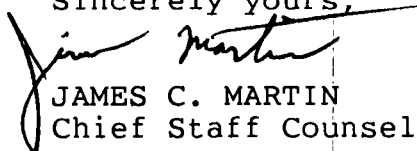
Dear Jeff:

Reference is made to Dick Stamets' letter to me of September 16, 1986, concerning the above. Dick's letter said the exemptions would be approved unless he received objections from this agency by October 19th.

As I mentioned to you earlier over the phone, we need to see copies of the applications for the above before we can take a position on them. I will appreciate your sending these copies to me as soon as you can.

Many thanks for your help.

Sincerely yours,


JAMES C. MARTIN
Chief Staff Counsel

JCM/mm



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

September 16, 1986

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

Mr. Jim Martin
Chief Staff Counsel
Public Service Commission
224 E. Palace Avenue
Santa Fe, New Mexico 87503

Dear Mr. Martin:

On September 4, 1986, the Division received from ARCO Oil & Gas Company requests for retroactive exceptions to the State Natural Gas Pricing Act for 75 Amoco Production Company wells. These wells are identified on the attached pages.

Each of these wells was completed as an infill well in the Basin-Dakota Gas Pool in the Gallegos Canyon Unit, San Juan County. Complete applications for administrative approval for exception to the Pricing Act have been filed for the above-listed wells under the provisions of our Order No. R-5436, and each well qualifies for such exception.

Based upon the results of the District Court case, it is my intention to administratively approve these required exemptions to the Pricing Act retroactive to the date of connection unless I receive objections and a request for hearing from your office by October 19, 1986. The applications are on file and available for your inspection. If you wish to review the applications or have questions, please contact, Michael E. Stogner, Engineer or the Divisions Attorney, Jeff Taylor.

Sincerely,

R. L. STAMETS
Director

RLS/MES/et

xc: Paul Biderman
Marilyn O'Leary, PSC
Steven Asher, PSC
Jeff Taylor
William F. Carr

EXHIBIT "C"

Infill Wells - Gallegos Canyon Unit

<u>Infill Well</u>	<u>Location</u>	<u>SPUD Date</u>	<u>Original Well on the proration unit</u>
GCU No. 85E	19-28N-12W	04-21-83	GCU No. 85
GCU No. 86E	35-29N-13W	12-23-81	GCU No. 86
GCU No. 93E	36-29N-12W	04-12-80	GCU No. 93
GCU No. 95E	31-28N-11W	11-22-82	GCU No. 95
GCU No. 96E	18-29N-12W	10-16-81	GCU No. 96
GCU No. 106E	24-29N-13W	03-18-80	GCU No. 106
GCU No. 108E	13-29N-13W	03-27-80	GCU No. 108
GCU No. 110E	19-29N-12W	01-12-80	GCU No. 110
GCU No. 111E	20-29N-12W	08-23-80	GCU No. 111
GCU No. 133E	17-29N-12W	11-30-81	GCU No. 133
GCU No. 134E	17-29N-12W	10-29-81	GCU No. 134
GCU No. 145E	26-29N-12W	05-10-80	GCU No. 145
GCU No. 150E	22-29N-12W	03-02-80	GCU No. 150
GCU No. 151E	21-29N-12W	09-02-80	GCU No. 151
GCU No. 152E	21-29N-12W	11-03-80	GCU No. 152
GCU No. 153E	28-29N-12W	06-11-80	GCU No. 153
GCU No. 154E	27-29N-12W	03-12-80	GCU No. 154
GCU No. 158E	36-28N-13W	05-20-83	GCU No. 158
GCU No. 163E	26-29N-13W	12-29-81	GCU No. 163
GCU No. 164E	35-29N-13W	01-03-82	GCU No. 164
GCU No. 166E	34-28N-12W	09-23-80	GCU No. 166
GCU No. 167E	18-28N-11W	10-11-82	GCU No. 167
GCU No. 168E	19-28N-11W	10-24-81	GCU No. 168
GCU No. 169E	35-29N-12W	03-25-80	GCU No. 169
GCU No. 170E	35-29N-12W	03-10-80	GCU No. 170
GCU No. 172E	25-29N-13W	04-21-80	GCU No. 172
GCU No. 173E	29-29N-12W	04-08-80	GCU No. 173
GCU No. 174E	28-28N-12W	10-27-82	GCU No. 174
GCU No. 176E	25-28N-13W	04-10-83	GCU No. 176
GCU No. 182E	19-28N-11W	11-15-81	GCU No. 182
GCU No. 184E	28-28N-12W	07-29-80	GCU No. 184
GCU No. 185E	33-28N-12W	08-02-80	GCU No. 185
GCU No. 186E	33-28N-12W	12-15-81	GCU No. 186
GCU No. 187E	30-29N-12W	10-13-80	GCU No. 187
GCU No. 188E	30-29N-12W	04-02-80	GCU No. 188
GCU No. 189E	36-29N-13W	12-10-81	GCU No. 189
GCU No. 190E	32-28N-12W	11-06-82	GCU No. 190

EXHIBIT "C"

Infill Wells - Gallegos Canyon Unit

<u>Infill Well</u>	<u>Location</u>	<u>SPUD Date</u>	<u>Original Well on the proration unit</u>
GCU No. 192E	30-28N-12W	05-03-83	GCU No. 192
GCU No. 193E	30-28N-12W	05-12-83	GCU No. 193
GCU No. 195E	33-29N-12W	05-02-80	GCU No. 195
GCU No. 196E	19-28N-12W	05-13-80	GCU No. 196
GCU No. 197E	36-29N-13W	12-26-81	GCU No. 197
GCU No. 199E	34-29N-12W	10-02-80	GCU No. 199
GCU No. 200E	29-29N-12W	03-19-80	GCU No. 200
GCU No. 202E	33-29N-12W	09-12-80	GCU No. 202
GCU No. 203E	13-28N-12W	09-27-81	GCU No. 203
GCU No. 204E	34-28N-12W	12-31-81	GCU No. 204
GCU No. 207E	14-28N-12W	01-28-80	GCU No. 207
GCU No. 208E	15-28N-12W	02-05-80	GCU No. 208
GCU No. 209E	15-28N-12W	11-17-81	GCU No. 209
GCU No. 210E	31-29N-12W	04-28-80	GCU No. 210
GCU No. 211E	32-29N-12W	02-27-80	GCU No. 211
GCU No. 212E	32-29N-12W	11-13-81	GCU No. 212
GCU No. 216E	14-28N-12W	04-22-80	GCU No. 216
GCU No. 217E	13-28N-12W	09-12-81	GCU No. 217
GCU No. 218E	22-28N-12W	05-09-80	GCU No. 218
GCU No. 219E	23-28N-12W	06-02-83	GCU No. 219
GCU No. 221E	31-29N-12W	04-29-80	GCU No. 221
GCU No. 226E	18-28N-12W	11-03-81	GCU No. 226
GCU No. 227E	20-28N-12W	02-23-80	GCU No. 227
GCU No. 228E	21-28N-12W	06-12-83	GCU No. 228
GCU No. 229E	21-28N-12W	03-06-80	GCU No. 229
GCU No. 239E	24-28N-13W	11-17-82	GCU No. 239
GCU No. 242E	24-28N-12W	02-18-80	GCU No. 242
GCU No. 243E	24-28N-12W	01-01-82	GCU No. 243
GCU No. 246E	35-28N-12W	12-03-82	GCU No. 246
GCU No. 263E	20-29N-12W	11-12-81	GCU No. 263
GCU No. 94E	23-29N-13W	04-09-80	GCU No. 94
GCU No. 143E	25-29N-12W	05-22-80	GCU No. B-143
GCU No. 160E	27-29N-12W	12-05-81	GCU No. D-160
GCU No. 161E	23-29N-13W	11-29-82	GCU No. E-161
GCU No. 162E	36-29N-12W	12-20-81	GCU No. F-162

EXHIBIT "C"

Infill Wells - Gallegos Canyon Unit

<u>Infill Well</u>	<u>Location</u>	<u>SPUD Date</u>	<u>Original Well on proration unit</u>
GCU No. 179E	26-29N-12W	10-24-80	GCU No. G-179
GCU No. 180E	28-29N-12W	01-09-82	GCU No. H-180
GCU No. 181E	34-29N-12W	12-04-81	GCU No. I-181

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF ARCO OIL AND GAS
COMPANY, A DIVISION OF ATLANTIC
RICHFIELD COMPANY, FOR THE EX-
EMPTION OF CERTAIN WELLS FROM
THE NEW MEXICO NATURAL GAS
PRICING ACT, SAN JUAN COUNTY,
NEW MEXICO.

RECEIVED

SEP 4 1986

OIL CONSERVATION DIVISION

No. _____

APPLICATION FOR EXEMPTION

I. Introduction

Arco Oil and Gas Company, a division of Atlantic Richfield Company ("Arco"), hereby requests that each of the Infill Wells identified on Exhibit C attached hereto and incorporated herein ("the subject wells") be exempted from the New Mexico Natural Gas Pricing Act ("the Act"), Sections 62-7-1 to 62-7-10, N.M.S.A., 1978. The application is made pursuant to Section 62-7-5 of that Act, and to the Oil Conservation Commission's Order No. R-5436.

II. Facts

1. Amoco Production Company ("Amoco") is the operator of each of the subject wells in which Arco owns a small interest (approximately 3%). Production from each of these wells is sold through a split stream connection, with Amoco's share being sold in interstate commerce and Arco's share being sold in the intrastate market.

2. Each of the subject wells is an infill well (being the second well to be drilled on a proration unit) in San Juan

County, New Mexico. Each proration unit and the location of each of the subject wells thereon is shown on the plat attached hereto as Exhibit B, submitted pursuant to Rule 5 of Order R-5436.

3. The first well to be drilled on each of the proration units described in paragraph 2 that was producing or capable of producing natural gas prior to January 1, 1975, is also set out on Exhibit C attached hereto.

4. The drilling of the subject wells was commenced on the dates set out on Exhibit C attached hereto and each well is completed for production in the Basin Dakota Pool.

5. Pursuant to Rule 7(a) of Order R-5436, Arco states that the drilling of each of the subject wells as an infill well in the Basin Dakota Gas Pool was permitted by Order No. R-1670-V of the Oil Conservation Commission (or of the Division). That infill order contains the findings required by Rule 7(a).

III. Certification

Pursuant to Rule 7(c) of Order R-5436, Amoco certifies that the ability of the first well to produce into the pipeline has not been and will not be restricted by Amoco, the operator of each of the wells, in any manner for the purpose of avoiding the application of the Act to sales of natural gas from that well. Amoco's certification is attached hereto as Exhibit A.

IV. Request

Arco requests the Division to enter an order (i) finding that the subject well was justified for reasons other than avoiding the application of the Act and (ii) exempting that well from the Act. Arco further requests that the exemption have effect retroactively from the date of first production of natural gas from the subject well up to and including the date this application is approved by the Division.

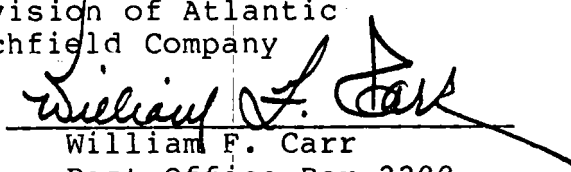
V. Conclusion

By its submission of this application, Arco in no way surrenders its right to argue (i) that promulgation of the infill order cited above in Paragraph II.5 was sufficient, under Section 62-7-5 of the Act, to exempt the subject well from the Act; or (ii) that the Division's determination that the subject well qualifies as a New Onshore Production Well under Section 103 of the Natural Gas Policy Act of 1978 (if, in fact, such a determination has been made) was sufficient under Section 62-7-5 of the Act, to exempt that well from the Act; or (iii) that Order R-5436 is unenforceable.

Respectfully submitted,

Arco Oil & Gas Company, a
Division of Atlantic
Richfield Company

By


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

Attorney for Arco Oil and Gas
Company

Date:

September 3, 1986

CERTIFICATION FOR:

Each of the wells shown on
Exhibit "A" hereto

The undersigned, an employee of Amoco Production Company ("Amoco"), certifies that:

1. Amoco is the operator of the captioned wells. Those wells are drilled in the Basin-Dakota Gas Pool. After notice and hearing the New Mexico Oil Conservation Commission issued its Order R-1670-V finding that infill drilling in that pool will increase the recoverable reserves under the various proration units in that pool, will result in more efficient use of reservoir energy, and will tend to ensure greater ultimate recovery of gas from that pool.
2. The ability of the captioned wells to produce into any connected pipeline has not been restricted by Amoco in any manner for the purpose of avoiding the application of the New Mexico Natural Gas Pricing Act (Sections 62-7-1 through 62-7-9, NMSA 1978) to sales of natural gas from those wells.

This certification is made to satisfy requirements imposed by a State agency, namely, requirements imposed by the New Mexico Oil Conservation Commission in its order R-5436.

Signature:

J. H. Goble

Typed Name:

James H. Goble

Date:

6-23-86

Title within Amoco: Regional National Gas
Marketing Manager

EXHIBIT "A"

Existing Wells on Proration Units where
there are Infill Wells in which
ARCO Oil and Gas Company has an interest.

Gallegos Canyon Unit
AMOCO Production Company - Operator
Basin-Dakota Gas Pool
San Juan County, New Mexico
Oil Conservation Division Order R-1670-V

<u>Well</u>	<u>S-T-R</u>	<u>Well</u>	<u>S-T-R</u>
GCU 85	19-28N-12W	GCU 199	34-29N-12W
GCU 86	35-29N-13W	GCU 200	29-29N-12W
GCU 93	36-29N-12W	GCU 202	33-29N-12W
GCU 95	31-28N-11W	GCU 203	13-28N-12W
GCU 96	18-29N-12W	GCU 204	34-28N-12W
GCU 106	24-29N-13W	GCU 207	14-28N-12W
GCU 108	13-29N-13W	GCU 208	15-28N-12W
GCU 110	19-29N-12W	GCU 209	15-28N-12W
GCU 111	20-29N-12W	GCU 210	31-29N-12W
GCU 133	17-29N-12W	GCU 211	32-29N-12W
GCU 134	17-29N-12W	GCU 212	32-29N-12W
GCU 145	26-29N-12W	GCU 216	14-28N-12W
GCU 150	22-29N-12W	GCU 217	13-28N-12W
GCU 151	21-29N-12W	GCU 218	22-28N-12W
GCU 152	21-29N-12W	GCU 221	31-29N-12W
GCU 153	28-29N-12W	GCU 226	18-28N-12W
GCU 154	27-29N-12W	GCU 227	20-28N-12W
GCU 163	26-29N-13W	GCU 229	21-28N-12W
GCU 164	35-29N-13W	GCU 239	24-28N-13W
GCU 166	34-28N-12W	GCU 242	24-28N-12W
GCU 167	18-28N-11W	GCU 243	24-28N-12W
GCU 168	19-28N-11W	GCU 246	35-28N-12W
GCU 169	35-29N-12W	GCU 263	20-29N-12W
GCU 170	35-29N-12W	GCU Comm. 94	23-29N-13W
GCU 172	25-29N-13W	GCU Comm. B-143	25-29N-12W
GCU 173	29-29N-12W	GCU Comm. D-160	27-29N-12W
GCU 174	28-28N-12W	GCU Comm. E-161	23-29N-13W
GCU 176	25-28N-13W	GCU Comm. F-162	36-29N-12W
GCU 182	19-28N-11W	GCU Comm. G-179	26-29N-12W
GCU 184	28-28N-12W	GCU Comm. H-180	28-29N-12W
GCU 185	33-28N-12W	GCU Comm. I-181	34-29N-12W
GCU 186	33-28N-12W		
GCU 187	30-29N-12W		
GCU 188	30-29N-12W		
GCU 189	36-29N-13W		
GCU 190	32-28N-12W	GCU 158	36-28N-13W
GCU 192	30-28N-12W	GCU 193	30-28N-12W
GCU 195	33-29N-12W	GCU 219	23-28N-12W
GCU 196	19-28N-12W	GCU 228	21-28N-12W
GCU 197	36-29N-13W		