



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

January 27, 1997

Amoco Production Company
P. O. Box 800
Denver, Colorado 80201
Attention: Pamela W. Staley

Administrative Order NSL-3064-A

Dear Ms. Staley:

Reference is made to your application dated October 23, 1996 and to additional correspondence concerning this matter dated November 21, 1996, December 2, 1996, December 24, 1996, and January 7, 1997 requesting approval of a non-standard Basin-Fruitland coal gas well location within a standard 320-acre gas spacing and proration unit comprising the E/2 of Section 28, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, for your existing Pollock Com "E" Well No. 1-R (API No. 30-045-24247), formerly the Harold B. Chapson Well No. 1, located 1800 feet from the South line and 1650 feet from the East line (Unit J) of said Section 28. According to the well records on file with the New Mexico Oil Conservation Division, the Harold B. Chapson Well No. 1 was drilled in 1980 and completed in the Armenta-Gallup Oil Pool at a standard oil well location.

It is our understanding that the Gallup interval will be abandoned and said well will be plugged back and recompleted to both the Aztec-Pictured Cliffs and Basin-Fruitland Coal (Gas) Pools such that production from both these gas intervals will be commingled downhole under authority of Division Administrative Order DHC-1422 dated January 16, 1997. Pursuant to Division General Rule 104.C(3) said location is considered to be at a standard gas well location in the Aztec-Pictured Cliffs Pool; however, pursuant to the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*", as promulgated by Division Order No. R-8768, as amended, this location is considered to be "unorthodox".

It is our further understanding that said well is to be a replacement well for the recently plugged and abandoned Pollock Com "E" Well No. 1 (API No. 30-045-25743), located at an unorthodox coal gas well location (approved by Division Administrative Order NSL-3064, dated October 23, 1991) 860 feet from the South line and 805 feet from the East line (Unit P) of said Section 28, which had been dedicated the E/2 of said Section 28 being a standard 320-acre gas

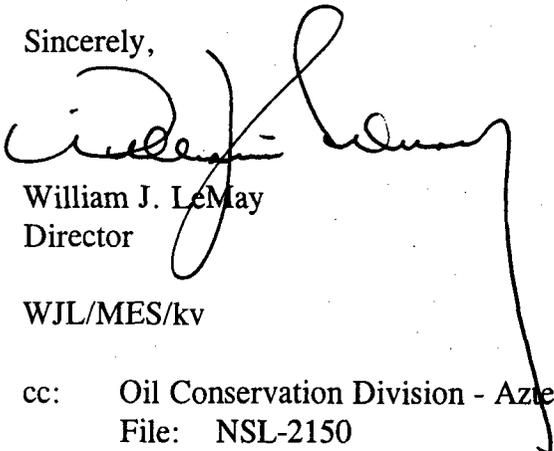
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spacing and proration unit for said pool. The Sanchez Gas Com "C" Well No. 1 (API No. 30-045-25618), located 750 feet from the North line and 660 feet from the East line (Unit A) of said Section 28, which was the subject of Division Administrative order NSL-2150-A, dated November 13, 1995, was never recompleted in the Basin-Fruitland Coal (Gas) Pool and is to be plugged and abandoned at this time.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location for the Pollock Com "E" Well No. 1-R/Harold B. Chapson Well No. 1 is hereby approved.

Further, both Division Administrative Orders NSL-2150-A and NSL-3064 shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
File: NSL-2150
NSL-2150-A
NSL-3064 /
DHC-1422



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

November 13, 1995

Amoco Production Company
P. O. Box 800
Denver, Colorado 80201

Attention: Pamela W. Staley

Administrative Order NSL-2150-A

Dear Ms. Staley:

Reference is made to your application dated October 19, 1995 for a non-standard Basin-Fruitland coal gas well location for your existing Sanchez Gas Com "C" Well No. 1 (API No. 30-045-25618), located 750 feet from the North line and 660 feet from the East line (Unit A) of Section 28, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico. According to the well records on file with the New Mexico Oil Conservation Division, the Sanchez Gas Com "C" Well No. 1 was drilled in 1983 and dually completed in the Blanco-Mesaverde Pool and Armenta-Gallup Oil Pool. By Division Administrative Order NSL-2150, dated September 17, 1985, this location was approved as an unorthodox gas well location for the Mesaverde gas producing interval, the location was considered to be a standard oil well location for the Gallup interval.

It is our understanding that the Gallup interval was abandoned and plugged-back in 1993 and the well is currently producing as a single completion from the Mesaverde interval, which is also to be plugged-back and abandoned and recompleted in 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 also considered to be "unorthodox".

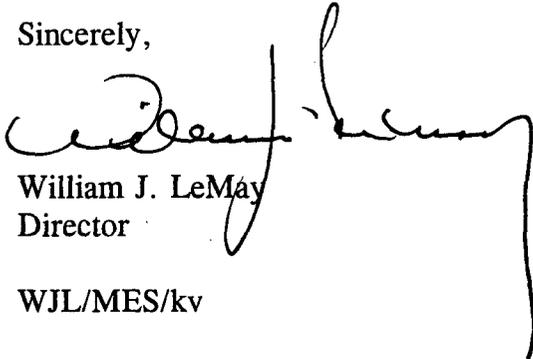
It is our further understanding that said well is to be a replacement well for your Pollock Com "E" Well No. 1 (API No. 30-045-25743), located at an unorthodox coal gas well location (approved by Division Administrative Order NSL-3064, dated October 23, 1991) 860 feet from the South line and 805 feet from the East line (Unit P) of said Section 28, which is currently dedicated to the E/2 of said Section 28 being a standard 320-acre gas spacing and proration unit for said pool.

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By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location for the Sanchez Gas Com "C" Well No. 1 is hereby approved.

Further, said original Order NSL-2150 shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
File: NSL-2150
NSL-3064 ✓