

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



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GOVERNOR

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SANTA FE, NEW MEXICO 87504
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May 5, 1994

Amoco Production Company
Southern Rockies Business Unit
P.O. Box 800
Denver, CO 80201

Attention: J.W. Hawkins

Administrative Order NSL-3387(NSP)

Dear Mr. Hawkins:

Reference is made to your applications dated November 4, 1993 and March 29, 1994 for a non-standard Tapacito-Gallup gas well location for the existing Jicarilla "A" Well No. 2-E (API No. 30-039-22581) which was drilled in 1981 and completed in the Basin Dakota Pool at a standard gas well location 1120 feet from the South line and 1520 feet from the East line (Unit O) of Section 18, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

It is our understanding that the Gallup gas producing interval is to be downhole commingled with the Basin Dakota Pool and said location is considered to be an unorthodox gas well location (pursuant to the *General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico/Special Rules and Regulations for the Tapacito-Gallup Associated Pool*, as promulgated by Division Order No. R-5353, as amended).

By the authority granted me under the provisions of Rule 2(c) of said Order No. R-5353, as amended, the above-described unorthodox gas well location is hereby approved.

Furthermore, under the authority of Rule 4 of said Special Rules, the S/2 NE/4 and SE/4 of said Section 18 shall be dedicated to said well forming a non-standard 240-acre gas spacing and proration unit for said pool.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", written over a large, stylized flourish that extends downwards and to the right.

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Albuquerque