



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

June 12, 1996

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

Administrative Order NSL-3682

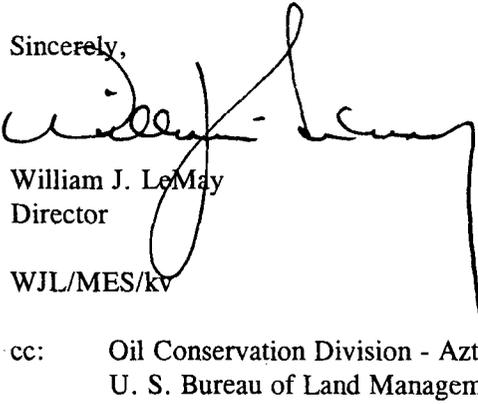
Dear Ms. Staley:

Reference is made to your application dated May 8, 1996 for an unorthodox Blanco-Mesaverde gas well location on an existing 320-acre gas spacing and proration unit ("GPU") for said Blanco-Mesaverde Pool comprising the E/2 of Section 17, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico. Said GPU presently has dedicated thereon the Florance "D" Well No. 10R (API No. 30-045-24595), located at a standard gas well location 980 feet from the North line and 1770 feet from the East line (Unit B) of said Section 17.

It is our understanding that the subject well in this application, the Florance "D" Well No. 10A (API No. 30-045-11872), also known as the Florance Well No. 64, was originally drilled by Tenneco Oil Company in 1966 and completed in the Basin-Dakota Pool at a location that is considered to be unorthodox, however no record of approval for said unorthodox Dakota gas well location can be found, 970 feet from the South line and 2370 feet from the East line (Unit O) of said Section 17. Pursuant to the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool*", as promulgated by Division Order No. R-8170, as amended, said location is also unorthodox for the Mesaverde interval.

By the authority granted me under the provisions of Rule 2(d) of said special pool rules, the above-described unorthodox gas well location is hereby approved. Further, Amoco is authorized to simultaneously dedicate Blanco-Mesaverde gas production on the subject GPU from the Florance "D" Well No. 10R with the Florance "D" Well No. 10A. Said wells and GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest New Mexico.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington