



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

September 1, 1998

Amoco Production Company
P. O. Box 800
Denver, Colorado 80201-0800
Attention: Pamela Staley

Administrative Order NSL-4124

Dear Ms. Staley:

Reference is made to your application dated August 4, 1998, which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on August 12, 1998, for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987, for a non-standard gas well location in an existing standard 318.27-acre lay-down gas spacing and proration unit for the Blanco-Mesaverde Pool comprising Lots 1 through 5, the N/2 NE/4, and the SE/4 NE/4 (N/2 equivalent) of Section 34, Township 31 North, Range 10 West, NMPM, San Juan County, New Mexico. This unit is currently dedicated to Amoco Production Company's: (i) Atlantic "B-LS" Well No. 7 (**API No. 30-045-10190**), the initial well on this unit, located at a standard gas well location 790 feet from the North and East lines (Unit A) of Section 34; and, (ii) Atlantic "B-LS" Well No. 7-A (**API No. 30-045-22996**), located at a standard infill gas well location 1640 feet from the North line and 1540 feet from the West line (Lot 4/Unit F) of Section 34.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox gas well location in Section 34 is hereby approved:

Atlantic "B-LS" Well No. 7-B
1830' FNL & 1595' FEL (Lot 5/Unit G)

Further, Amoco Production Company is authorized to dedicate Blanco-Mesaverde gas production on the subject unit from the proposed Atlantic "B-LS" Well No. 7-B with the two existing Atlantic "B-LS" Well Nos. 7 and 7-A. These three wells and the existing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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