

# NEW MEXICO ENÉRGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Jennifer A. Salisbury
Cabinet Secretary

Amoco Production Company San Juan Business Unit 501 West Lake Park Boulevard Houston, Texas 77059-3092

Attention:

Mary Corley



Lori Wrotenbery
Director
Oil Conservation Division

Re: Amoco Production Company's placement of its proposed Florance Well No. 117-M 2380 feet from the South line and 1790 feet from the East line (Lot 10/Unit J) of Section 35, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, as an infill gas well in both the Basin-Dakota Pool within an existing standard 306.35-acre stand-up gas spacing and proration unit comprising Lots 1, 2, 7, 8, 9, 10, 15, and 16 (E/2 equivalent) of Section 35.

Dear Ms. Corley:

Your application dated April 2, 2001 can not be addressed in the administrative review process.

The rules and procedures currently governing the Basin-Dakota Pool contain a provision that serves to check well density within existing spacing units. Review of your application and the Division's records indicate that the proposed Florance Well No. 117-M is located within the same quarter section as Amoco's Florance Well No. 117, currently completed in and producing from the Basin-Dakota Pool. I have therefore prepared the following advertisement, which will be placed on the May 31, 2001 hearing docket:

"Application of Amoco Production Company for an exception to the well density and location provisions of the special rules governing the Basin-Dakota Pool, San Juan County, New Mexico. The applicant in this matter proposes to drill its Florance Well No. 117-M 2380 feet from the South line and 1790 feet from the East line (Lot 10/Unit J) of Section 35, Township 29 North, Range 9 West, as an infill gas well in the Basin-Dakota Pool within an existing standard 306.35-acre stand-up gas spacing and proration unit comprising Lots 1, 2, 7, 8, 9, 10, 15, and 16 (E/2 equivalent) of Section 35 (which is located approximately 13 miles east of Bloomfield, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, as amended by Division Order No. R-10987-B (1), in order to drill and complete the proposed Florance Well No. 117-M within the same quarter section as the above-described Florance Well No. 117".

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Thank you for your cooperation and understanding, should you have any questions concerning this matter, your legal counsel should be able to assist you.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec

U. S. Bureau of Land Management - Farmington

William F. Carr, Legal Counsel for Amoco Production Company - Santa Fe

### bp



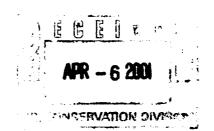
San Juan Business Unit Amoco Production Company A Part of the BP Amoco Group 501 WestLake Park Blvd.

Houston, TX 77079-3092 Phone: 281-366-4491

April 2, 2001

Mr. Michael Stogner New Mexico Oil Conservation Division 2040 S. Pacheco Street Santa Fe, NM 87505

Application For Non-Standard Well Location Florance Well No. 117M 2380' FSL, 1790' FEL, Section 35-T29N-R09W Basin Dakota Gas Pool San Juan County, New Mexico



Amoco Production Company hereby requests administrative approval for an non-standard well location for our Florance well no. 117M to be drilled and completed in both the Basin Dakota and the Blanco Mesaverde Gas Pools and downhole commingled. The subject well will require a non-standard location exception for the Basin Dakota completion as the proposed location does not conform to the Dakota location requirements that stipulate that a well be located no closer than 660' to any outer boundary of the quarter section on which the well is located. The proposed well location is 260' from the north line of the quarter section as shown on the attached Form C-102.

We respectfully request than administrative approval be granted for this Dakota location as stated above our intention is to completed in both the Dakota and Mesaverde Pools and downhole commingle. Application will be made to commingle the Mesaverde and Dakota via a separate application. The well is outside the well location window for the Dakota by being too close to the interior quarter section line thereby crowding our own spacing unit. Amoco is the only affected party. By completing the well at the proposed location it conforms to Mesaverde spacing requirements, prevents waste in the Mesaverde, minimizes interference with other Mesaverde wells and allows maximum drainage and recovery of the Mesaverde resource.

Also attached for your reference is a 9 Section plat with the subject well and surrounding wells identified, a portion of a topographic map with the well identified, and a map indicating directions to the well location.

## bp



Your attention to this matter is greatly appreciated. Should you have any questions concerning this application please do not hesitate to call me at 281-366-4491.

Sincerely,

Sr Regulatory Analyst

corleyml@bp.com

cc: Frank Chavez, Supervisor

NMOCD District III 1000 Rio Brazos Road Aztec, NM 87410 Distric: I PG Box 1980, Hobbs NM 88241-1980

District II

PO Drawer KK, Artesia, NM 87211-0719

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

PO Box 2088, Santa Fe, NM 87504-2088

#### State of New Mexico Energy, Minerals & Natural Resources Department

### OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	<sup>2</sup> Pool Code	<sup>1</sup> Pool Name				
	71599 & 72319	BASIN DAKOTA & BLANCO MESAVERDE				
Property Code	3 ]	roperty Name   * Well Number				
000518	Florance	# 117N				
1 OGRID No.	4 (	perator Name ** Elevation				
000778	AMOCO PRODUCTION	ON COMPANY 5695				
	10					

					" Surface I	Location					
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
J (Lot 10)	35	29 N	9 W		2380	SOUTH	1790	EAST	SAN JUAN		
11 Bottom Hole Location If Different From Surface											
7 UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
12 Dedicated Acres	Join	t or Infill 14	Consolidatio	a Code 15	Order No.	<u> </u>	<u> </u>	L			
306.35	1	1		İ							

NO ALLÓWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

