



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

March 11, 1996

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Amoco Production Company
P. O. Box 800
Denver, Colorado 80201
Attention: J. W. Hawkins

AMENDED Administrative Order DD-125

Dear Mr. Hawkins:

By Division Administrative Order DD-125(H), dated November 14, 1995, authorization was given Amoco Production Company ("Amoco") to utilize its Barnes "LS" Well No. 6-A (API No. 30-045-22396), located at a standard gas well location 1720 feet from the South line and 850 feet from the East line (Unit I) of Section 23, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico, to drill multiple horizontal drainholes within the vertical limits of the Blanco-Mesaverde Pool by kicking-off from vertical at various depths by milling windows in the existing 4-1/2 inch linear, drill out with short radius curves (64 degrees per 100 feet or 90 foot radius), and continue drilling horizontally a lateral distance of approximately 500 feet for each.

Reference is now made to your application dated December 6, 1995, to amend said Order DD-125(H), for authorization to recomplete said well with a single high-angle (45 degrees) directionally drilled wellbore instead.

The Division Director Finds That:

- (1) This amendment has been duly filed under the provisions of **Rule 111.D** and **E** of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (2) It is our understanding that Amoco now intends to kick-off from vertical at a depth of approximately 4,200 feet by milling a window in the existing production casing, drill in a southerly direction, build to an angle of approximately 45 degrees and continue to drill a slant hole in such a manner as to bottom back into the Blanco-Mesaverde Pool, with total horizontal displacement of said well to be approximately 924 feet;
- (3) A high angle wellbore as proposed should provide Amoco a better opportunity to encounter the naturally occurring fracture system in the Mesaverde formation, which should result in a higher production rate and an increased ultimate recovery of gas from this GPU;

- (4) The applicable drilling window or "producing area" for said wellbore will change from that area prescribed in said original order DD-125(H), which includes that area within the E/2 of said Section 23 that is no closer than 790 feet to the outer boundary of the subject GPU to an area within the SE/4 of said Section 23 that is no closer than 790 feet to any quarter section line; and,
- (5) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said **Rule 111.D** and **E**, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General **Rule 111**.

IT IS THEREFORE ORDERED THAT:

- (1) Decretory Paragraph (1) of Division Administrative Order DD-125(H) shall be amended to read in its entirety as follows:

"(1) The applicant, Amoco Production Company, is hereby authorized to recomplete its existing Barnes "LS" Well No. 6-A (**API No. 30-045-22396**), located at a standard gas well location 1720 feet from the South line and 850 feet from the East line (Unit I) of Section 23, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico by milling a window in the existing production casing at a depth of approximately 4,200 feet, kick-off from vertical in a southerly direction, build to an angle of approximately 45 degrees and continue to drill a slant hole in such a manner as to bottom back into the Blanco-Mesaverde Pool, with total horizontal displacement of said well to be approximately 924 feet.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined."

- (2) Decretory Paragraph (3) of Division Administrative Order DD-125(H) shall be amended to read in its entirety as follows:

"(3) The "project area" for said high angle/slant wellbore shall correspond with the existing 320-acre standard gas spacing and proration

unit ("GPU") comprising the E/2 of said Section 23, whereby both the subject well and Amoco's Barnes "LS" Well No. 6 (API No. 30-045-11366), located at a standard gas well location 990 feet from the North and East lines (Unit A) of said Section 23, are both to be simultaneously dedicated."

(3) Decretory Paragraph (4) of Division Administrative Order DD-125(H) shall be amended to read in its entirety as follows:

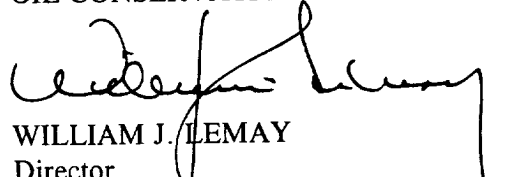
"(4) The applicable drilling window or "producing area" for said high angle/slant wellbore shall include that area within the SE/4 of said Section 23 that is no closer than 790 feet to any quarter section line."

(4) All other provisions of said Order DD-125(H), dated November 14, 1995, not in conflict with this change shall remain in full force and effect until further notice.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/MES/kv

cc: Oil Conservation Division - Aztec ✓
U. S. Bureau of Land Management - Farmington
File: DD-125(H)