

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

September 16, 1999

Amoco Production Company P. O. Box 3092 Houston, Texas 77253-3092 Attention: J. W. Hawkins

Administrative Order NSL-4359

Dear Mr. Hawkins:

Reference is made to the following: (i) your application dated August 23, 1999; and (ii) the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): all concerning Amoco Production Company's ("Amoco") request for an exception to the well location requirements provided within the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, for a non-standard Blanco-Mesaverde infill gas well location in an existing standard 320-acre stand-up gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool comprising the E/2 of Section 13, Township 31 North, Range 11 West, NMPM, San Juan County, New Mexico. This GPU is currently dedicated to Amoco's: (i) Ridenour Gas Com. Well No. 1 (API No. 30-045-10750), located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of Section 13; and (ii) Ridenour Gas Com. Well No.1-A (API No. 30-045-22454), located at a standard gas well location 1150 feet from the South line and 790 feet from the East line (Unit P) of Section 13.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled as the second infill well on this GPU at an unorthodox gas well location in Section 13 is hereby approved:

Ridenour Gas Com. Well No. 1-B 2045' FNL & 2120' FEL (Unit G).

Further, all three of the aforementioned Ridenour Gas Com. Well Nos. 1, 1-A, and 1-B and existing GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,

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Lori Wrotenbery Director LW/MES/kv

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