



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

August 1, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Amoco Production Company
501 West Lake Park Boulevard
Houston, Texas 77079-3092
Attention: Mary Corley/corleym@bp.com

Administrative Order NSL-262-A

Dear Ms. Corley:

Reference is made to the following: (i) your application dated July 11, 2001 (*application reference No. pKRV0-119739673*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: 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 New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, of an unorthodox infill gas well for the existing Florance "C" LS Well No. 10 (**API No. 30-045-07163**), located 2172 feet from the North line and 330 feet from the East line (Unit H) of Section 30, Township 28 North, Range 8 West, NMPM, Blanco-Mesaverde Pool (**72319**), San Juan County, New Mexico.

According to the Division's well records, the Florance "C" LS Well No. 10 was drilled to a total depth of 6,840 feet in 1961 by El Paso Natural Gas Company and completed in the Basin-Dakota Pool. By Division Administrative Order NSL-262, dated June 30, 1961, this unorthodox gas well location was approved as an initial well in the Basin-Dakota Pool within a standard 320-acre stand-up gas spacing and proration unit ("GPU") comprising the E/2 of Section 30. It is our understanding that Amoco intends to perforate the Blanco-Mesaverde gas interval and recomplete the well such that production from both intervals will be commingled downhole upon issuance of this order.

This Blanco-Mesaverde gas production is to be included within an existing standard 320-acre stand-up GPU that also comprises the E/2 of Section 30, which is currently dedicated to Amoco's: (i) Florance "C" LS Well No. 5 (**API No. 30-045-07167**), located at a standard gas well location 1735 feet from the North line and 890 feet from the East line (Unit H) of Section 30; and (ii) Florance "C" LS Well No. 10-M (**API No. 30-045-26558**), located at an unorthodox infill gas well location at the time it was drilled (approved by Division Administrative Order NSL-2111, dated August 9, 1985) 790 feet from the South line and 1900 feet from the East line (Unit O) of Section 30.

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

Administrative Order NSL-262-A
Amoco Production Company
August 1, 2001
Page 2

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Blanco-Mesaverde infill gas well location for the Florance "C" LS Well No. 10 is hereby approved. Further, all three of the aforementioned Florance "C" LS Wells No. 5, 10-M, and 10 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.

Further, the provisions of Division Administrative Order NSL-262 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", followed by a second, more stylized signature that appears to be "MES".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-262 /
NSL-2111