



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

December 21, 2000

Lori Wrotenbery

Director

Oil Conservation Division

Amoco Production Company
501 West Lake Park Blvd.
Houston, Texas 77079-3092
Attention: Mary Corley

Administrative Order NSL-1854-A

Dear Ms. Corley:

Reference is made to the following: (i) your application dated November 28, 2000; 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 dated February 1, 1999, of an unorthodox infill gas well for the existing Florance Well No. 44-E (API No. **30-045-26061**), located 480 feet from the South line and 340 feet from the East line (Lot 20/Unit P) of Section 31, Township 30 North, Range 8 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico.

According to the Division's well records, the Florance Well No. 44-E was drilled to a total depth of 7,090 feet in 1984 by Tenneco Oil Company and completed in the Basin-Dakota Pool. By Division Administrative Order NSL-1854, dated August 17, 1984, this location was approved as an unorthodox infill gas well location in the Basin-Dakota Pool for an existing standard 297.10-acre stand-up gas spacing and proration unit (AGPU \equiv) comprising Lots 5, 6, 11, 12, 13, 14, 19, and 20 (E/2 equivalent) of Section 31. It is our understanding that Amoco intends to plug and abandon the Dakota interval and recompleat up-hole into the Mesaverde formation upon issuance of this order.

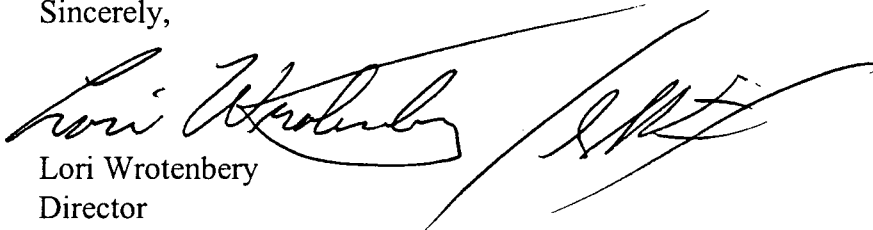
Production from the Blanco-Mesaverde Pool is to be included in an existing standard 297.10-acre stand-up GPU that also comprises the E/2 equivalent of Section 31, which is currently dedicated to Amoco's: (i) Florance "Y" Well No. 44 (API No. **30-045-09011**), located at a standard gas well location 1680 feet from the North line and 830 feet from the East line (Lot 12/Unit H) of Section 31; and (ii) Florance "Y" Well No. 44-A (API No. **30-045-22249**), located at a standard infill gas well location 1170 feet from the South line and 1645 feet from the East line (Lot 19/Unit O) of Section 31.

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 above-described unorthodox Blanco-Mesaverde infill gas well location for the Florance Well No. 44-E is hereby approved. Further, all three of the aforementioned Florance Well No. 44-E and Florance "Y" Wells No. 44 and 44-A 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, Division Administrative Order NSL-1854 shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", is written over a horizontal line. To the right of the signature, there is a large, stylized handwritten mark that resembles a large "L" or a checkmark.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-1854