



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

August 12, 1997

Amoco Production Company
P. O. Box 800
Denver, Colorado 80201
Attention: Pamela W. Staley

Administrative Order NSL-1656-A

Dear Ms. Staley:

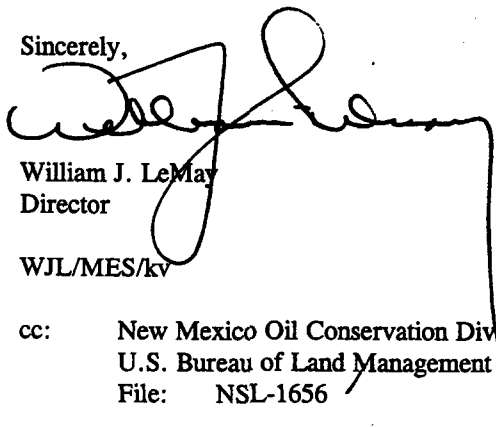
Reference is made to your application dated July 25, 1997, for a non-standard Blanco-Mesaverde gas well location in an existing standard 320-acre gas spacing and proration unit ("GPU") for said Blanco-Mesaverde Pool comprising the N/2 of Section 10, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, which currently has dedicated thereon the A. L. Elliott "B" Well No. 1 (API No. 30-045-08556), located at a standard gas well location 1650 feet from the North line and 1070 feet from the East line (Unit H) of said Section 10 and the A. L. Elliott "B" Well No. 1-A (API No. 30-045-22335), located at a standard infill gas well location 1770 feet from the North line and 1850 feet from the West line (Unit F) of said Section 10.

It is our understanding that the subject well to be considered in this application, the A. L. Elliott "B" Well No. 6-E (API No. 30-045-25716), which was drilled in 1984 to a total depth of 7040 feet and completed in the Basin-Dakota Pool at an unorthodox gas well location (approved by Division Administrative Order NSL-1656, dated February 14, 1983) 590 feet from the North line and 650 feet from the West line (Unit D) of Section 10, is to be recompleted by perforating the Blanco-Mesaverde interval whereby both Basin-Dakota and Blanco-Mesaverde gas production will be commingled downhole, application pending.

Pursuant to the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool", as promulgated by Division Order No. R-8170, as amended, the location for the A. L. Elliott "B" Well No. 6-E is also unorthodox.

By the authority granted me under the provisions of Rule 2(d) of said special pool rules, the above-described unorthodox gas well location in the Blanco-Mesaverde Pool is hereby approved. Further, Amoco is authorized to dedicate Blanco-Mesaverde gas production on the subject GPU from the A. L. Elliott "B" Well No. 6-E with the two existing A. L. Elliott "B" Well Nos. 1 and 1-A. Said wells and GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest New Mexico.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington
File: NSL-1656