



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 22, 1995

**Amoco Production Company
Southern Rockies Business Unit
P.O. Box 800
Denver, Colorado 80201**

Attention: Pamela W. Staley

Administrative Order NSL-3570

Dear Ms. Staley:

Reference is made to your application dated June 2, 1995 for an unorthodox Blanco-Mesaverde gas well location on an existing 320-acre gas spacing and proration unit ("GPU") for said Blanco-Mesaverde Pool comprising the E/2 of Section 7, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico. Said GPU presently has dedicated thereon the Day "B" Well No. 2 (**API No. 30-045-08559**), located at a standard gas well location 1550 feet from the North line and 990 feet from the East line (Unit H) of said Section 7, and the Day "B" Well No. 2-A (**API No. 30-045-22710**), located at a standard gas well location 800 feet from the South line and 1000 feet from the East line (Unit P) of said Section 7.

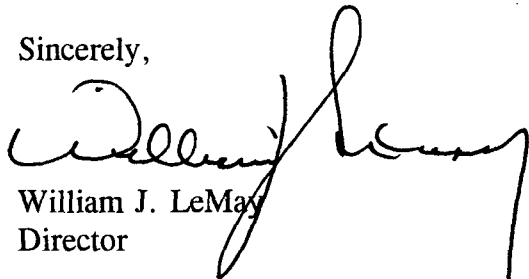
It is our understanding that the subject well in this application, the Day Well No. 1-E (**API No. 30-045-25519**) was originally drilled by Tenneco Oil Company in 1983 and completed in the Basin-Dakota Pool at an unorthodox gas well location 670 feet from the South line and 1300 feet from the East line (Unit P) of said Section 7, approved by Division Administrative Order NSL-1573, dated September 3, 1982. 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, said location is also unorthodox for the Mesaverde interval.

By the authority granted me under the provisions of Rule 2(d) of said special pool rules, the above-described unorthodox gas well location is hereby approved. Further, Amoco is authorized to simultaneously dedicate Blanco-Mesaverde gas production on the subject GPU from the Day Well No. 1-E with the Day "B" Well Nos. 2 and 2-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.

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Said Division Administrative Order NSL-1573, dated September 3, 1982, which previously approved the subject Day Well No. 1-E as an unorthodox gas well location in the Basin-Dakota Pool is hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long, sweeping underline that extends downwards and to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-1573