



July 12, 1994

Case 11054

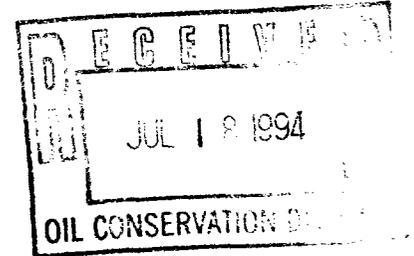
Southern

Rockies

Business

Unit

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87501



**Application of Amoco Production Company
For A High Angle/Horizontal Directional Drilling Pilot
Project Area And Special Operating Rules Therefore,
San Juan County, New Mexico**

AMOCO PRODUCTION COMPANY ("Amoco") hereby makes application for approval of a high angle/horizontal directional drilling pilot project area and special operating rules therefore. In support of this application, Amoco states the following:

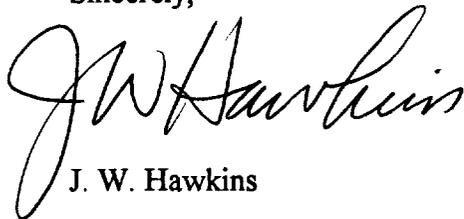
1. Amoco is the operator of the Mesaverde formation, Blanco-Mesaverde Pool, underlying the E/2 of Section 6, Township 30 North, Range 8 West, N.M.P.M., San Juan County, New Mexico, hereinafter referred to as the "Project Area."
2. Within the Project Area, Amoco seeks authority to:
 - (a) drill the Florance 37R well as a replacement well for the Florance 37 well located 1650' FNL and 990' FEL of Section 6, Township 30 North, Range 8 West;
 - (b) the Florance 37R well will be located at a surface location to be determined in the SE/4 of Section 6 but no closer than 790' to the boundary of the Project Area;
 - (c) use medium-radius drilling techniques to drill a high angle/horizontal well in the Mesaverde formation in a direction and lateral distance to be determined by Amoco;
 - (d) traverse quarter-quarter section line within the Project Area by its proposed wellbore; and

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- (e) drill the proposed horizontal wellbore to within 790' of the outer boundary of the Project Area.
- 3. Horizontal drilling within the Project Area should result in the recovery of significant volumes of oil and gas which was not recovered by the existing conventional vertical wellbores, thereby preventing waste.
- 4. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Amoco Production Company requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 4, 1994. A copy of this application will be sent to each of the operators of spacing units offsetting the Project Area by certified mail.

Sincerely,



J. W. Hawkins

CASE 11054

Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project area and special operating rules therefore, San Juan County, New Mexico. Applicant seeks authority to institute a horizontal directional drilling project in the Blanco-Mesaverde Pool in the E/2 of Section 6, Township 30 North, Range 8 West. Applicant proposes to drill its Florance 37R well as a replacement to its Florance 37 well at a surface location to be determined in the SE/4 of Section 6, but no closer than 790' to the boundary of the project area; kicking off the vertical, build angle a medium radius curve and continue drilling in said pool. Applicant further seeks special rules and provisions within the project area including authorization to cross quarter and quarter-quarter section lines and the designation of a prescribed area for the wellbore limiting the horizontal displacement of any drainhole to within 790' of the boundary of the project area. Said project is located approximately _____ miles _____ of _____, New Mexico.

Amoco Production Company

Offset Operator Plat

Florance 37R

T30N-R8W, Sec. 6

1650 FNL & 990 FEL

Blanco Mesaverde Formation

1	1	31	2	2	32
12	1	6	FLORANCE 37R ○	2	5
13	1	7	2	1	8

1 Amoco Production Company

2 Meridian Oil, Inc.