

Exploratory Spacing Orders

- Amoco suggests use of an Exploratory spacing order which would space a drillsite on 640 acres to be revisited after data was accumulated
- This would allow an applicant to reserve up to a 9-section area around their deep prospect or trend thus making them more “economic” to drill
- Addresses the concern of offset drilling
- The proposed rule would allow for pooling of interests in the 640 using the compulsory pooling rules
- This is a good compromise rule to protect the party at risk without spacing the entire basin at this point

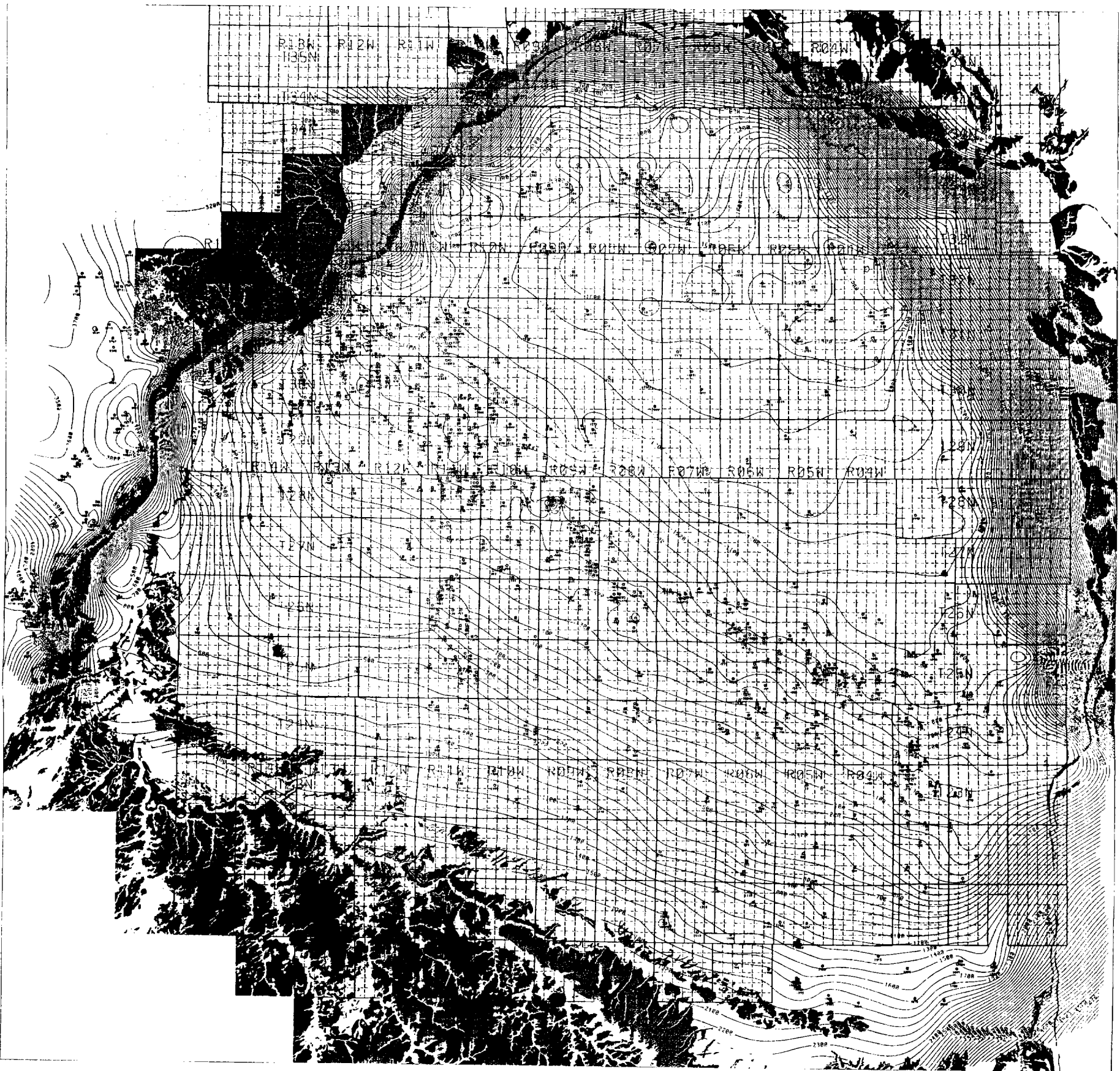
BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11745 Exhibit No. 4

Submitted by: Amoco Production Company

Hearing Date: March 19, 1997

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AMOCO EXPLORATION & PRODUCTION SECTOR
Southern Rockies Business Unit

San Juan Basin
Mojave Formation

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KILOMETERS 0 5 10 KILOMETERS

STATUTE MILES 0 2 4 6 8 10 STATUTE MILES

Val 1 20,000	Rate 15 Fullerton	Int 27 1/2%
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