

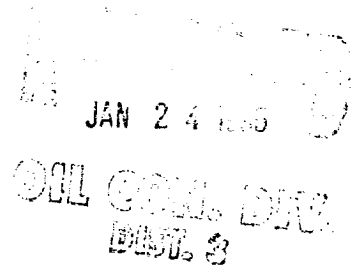


STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

January 22, 1996

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



*Administrative Order NSL-3620*

Dear Ms. Staley:

Reference is made to your application dated November 16, 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 29, Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico. Said GPU presently has dedicated thereon the Kernaghan "B" Well Nos. 3 (API No. 30-045-10361) and 3-A (API No. 30-045-22421) located in Units "B" and "O", respectively, of said Section 29.

By the authority granted me under the provisions of Rule 2(d) of 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 following described well to be drilled at an unorthodox gas well location in said Section 29 is hereby approved:

**Kernaghan "B" Well No. 3-B**  
**1245' FSL - 1840' FEL (Unit O)**

*29-31N-8W*

Further, Amoco is authorized to simultaneously dedicate Blanco-Mesaverde gas production on the subject GPU from the No. 3-B well with the two existing Well Nos. 3 and 3-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: Oil Conservation Division - Aztec ✓  
U. S. Bureau of Land Management - Farmington



Southern

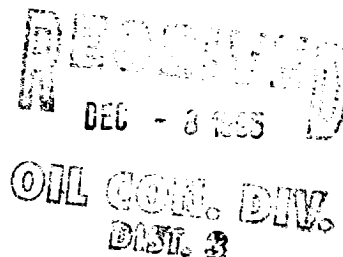
Rockies

Business

Unit

November 16, 1995

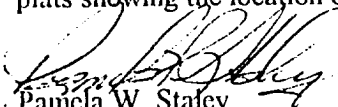
Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
2040 S. Pacheco Street  
P.O. Box 6429  
Santa Fe, NM 87505



**Application For Unorthodox Location**  
**Kernaghan B #3B Well**  
**1245' FSL, 1840' FEL, Section 29-T31N-R8W**  
**Blanco Mesaverde Pool**  
**San Juan County, New Mexico**

Amoco Production Company hereby requests administrative approval for an unorthodox well location for the Kernaghan B #3B well in the Blanco Mesaverde Pool. Amoco plans to drill this well at an unorthodox location due to the extreme topographical restrictions in the southeast quarter of Section 29. A map of the terrain is attached. This well is 55 feet too close to the quarter quarter section line moving toward the center of the section.

A copy of this application will be submitted to the offset operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office. Attached are plats showing the location of the well, offset operators, and all wells drilled in the area.

  
Pamela W. Staley

**Attachments**

cc: ☒ Frank Chavez, Supervisor  
NMOCD District III  
1000 Rio Brazos Road  
Aztec, NM 87410

Steve Webb, Amoco  
Gail Jefferson, Amoco

**WAIVER**

\_\_\_\_\_ hereby waives objection to Amoco's application for an unorthodox well location for the Kernaghan B #3B well described above.

By: \_\_\_\_\_

Date: \_\_\_\_\_

**APPLICATION FOR APPROVAL OF UNORTHODOX LOCATION UNDER RULE 104-F**

**Kernaghan B #3B Well  
1245' FSL, 1840' FEL, Section 29-T31N-R8W  
Blanco Mesaverde Pool**

**ATTACHMENTS:**

- 9-SECTION PLAT SHOWING LOCATION OF ALL OFFSET WELLS
- FORM C-102 FOR MESAVERDE FORMATION
- TOPOGRAPHIC MAP OF LOCATION
- OFFSET OPERATORS PLAT
- LIST OF ALL OFFSET OPERATORS AND THEIR ADDRESSES

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 N. Lincoln Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                     |  |                                           |  |                               |                     |
|---------------------|--|-------------------------------------------|--|-------------------------------|---------------------|
| APN Number          |  | Pool Code<br>72319                        |  | Pool Name<br>Blanco Mesaverde |                     |
| Property Code       |  | Property Name<br>KERNAGHAN B              |  |                               | Well Number<br># 3B |
| OGRID No.<br>000778 |  | Operator Name<br>AMOCO PRODUCTION COMPANY |  |                               | Elevation<br>6373   |

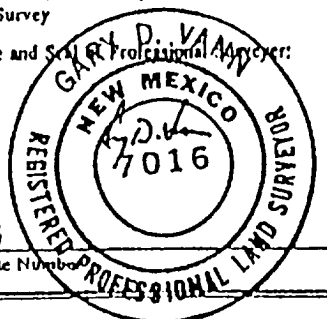
10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| O             | 29      | 31 N     | 8 W   |         | 1245          | SOUTH            | 1840          | EAST           | SAN JUAN |

11 Bottom Hole Location If Different From Surface

|                      |         |                 |       |                    |               |                  |               |                |        |
|----------------------|---------|-----------------|-------|--------------------|---------------|------------------|---------------|----------------|--------|
| UL or lot no.<br>320 | Section | Township        | Range | Lot Idn            | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres      |         | Joint or In/Out |       | Consolidation Code |               | Order No.        |               |                |        |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----|--|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16 |  |  |  | 17 OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.<br><br>Signature <u>Patty Macfele</u><br>Printed Name <u>Patty Macfele</u><br>Title <u>Staff Assistant</u><br>Date <u>10/9/95</u>                                                                                                                                                                                |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|    |  |  |  | 18 SURVEYOR CERTIFICATION<br>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.<br><br>Date of Survey <u>August 7, 1995</u><br>Signature and Seal of Professional Approver:<br><br>Certificate Number <u>7016</u> |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|    |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

1350.36' 1350.36' 1350.36' 1350.36' 1245' 1840' 65.43' 1325.44' 1325.44' 1325.44' 1325.44'

BUM RECORD

992,412.16 FT. E  
107° 43' 21" W

13,399,340.99 FT. N  
36° 53' 21" N

13,399,340.99 FT. N  
36° 53' 21" N

1,007,587.84 FT. E  
107° 40' 14" W

31N-9W

31N-8W

30N-8W

1,007,582.08 FT. E  
107° 40' 14" W

All geological and geophysical data, including the interpretation thereof, appearing on this map is the private and confidential property of Amoco Production Company. The publication or reproduction thereof without the written permission of said Company is strictly prohibited.



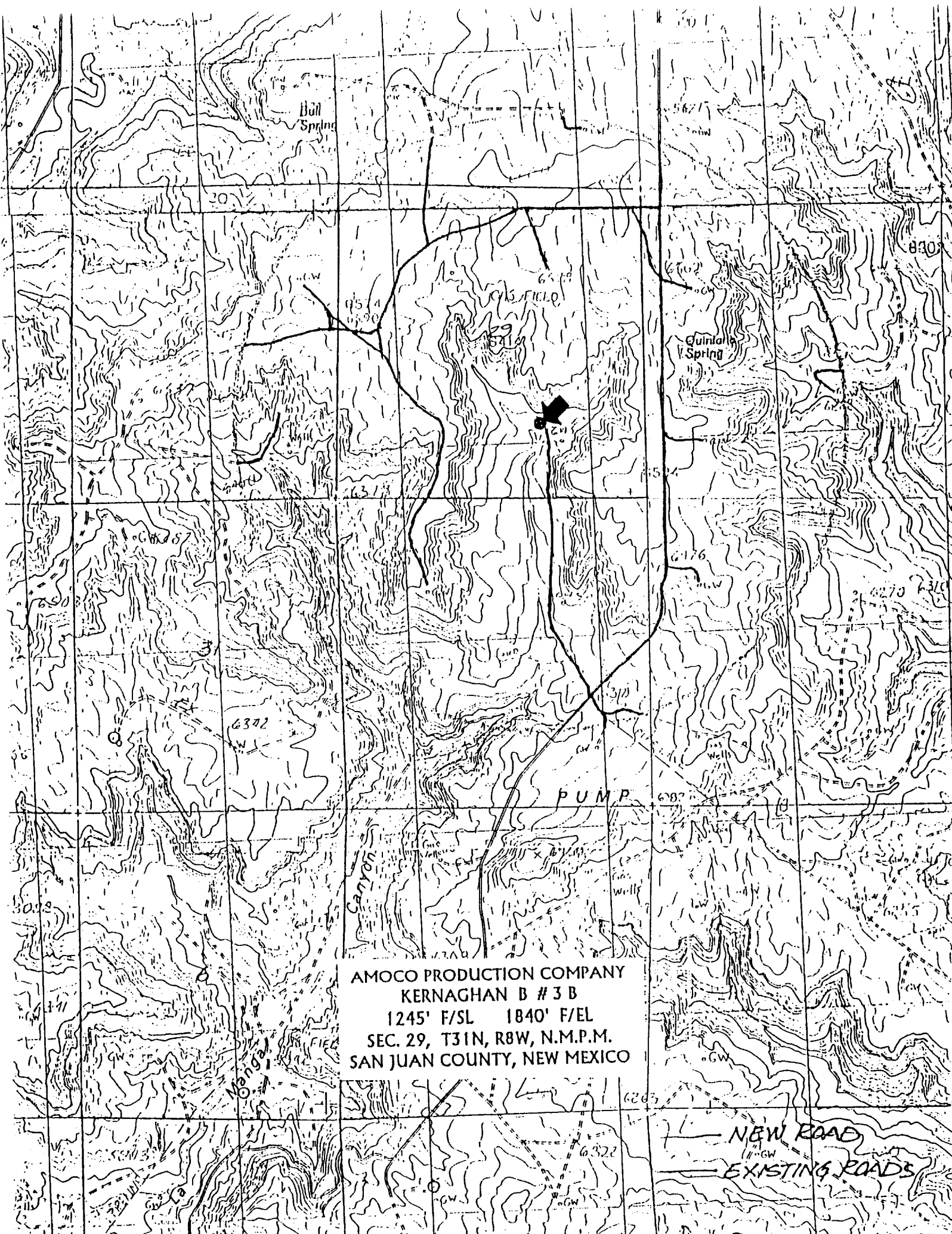
AMOCO PRODUCTION COMPANY  
PLAT MAP  
Kernaghan B 3B  
Mesaverde  
SCALE 1 IN. = 2,000 FT. OCT 6, 1995

11-38-21 FRI 6 OCT, 1995 08:11:00Z, 15500 DISPLA 10.0

992,407.92 FT. E  
107° 43' 21" W

36° 50' 50" N  
13,303,733.50 FT. N

36° 50' 50" N  
13,303,733.50 FT. N

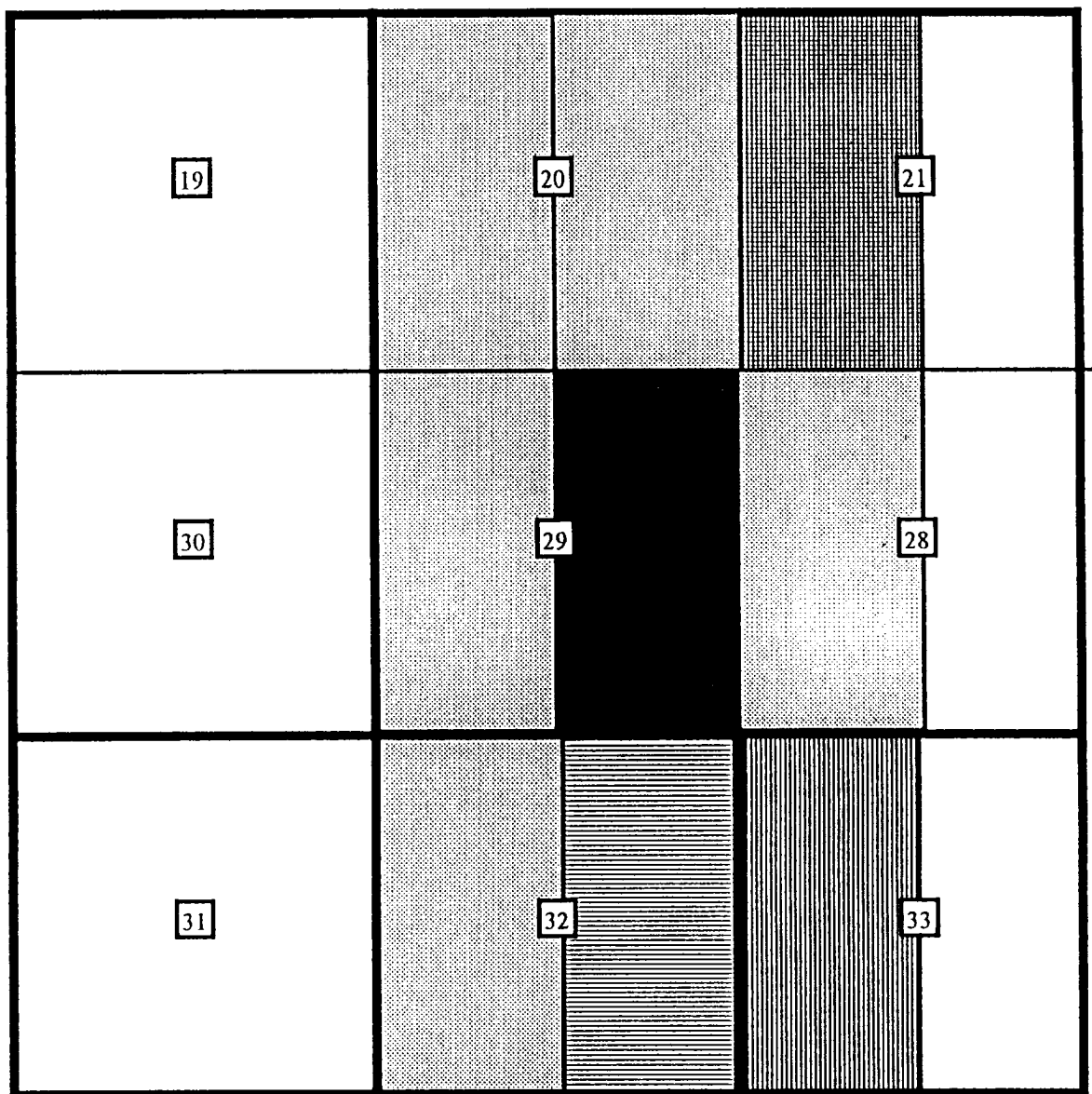


AMOCO PRODUCTION COMPANY  
KERNAGHAN B #3 B  
1245' F/SL 1840' F/EL  
SEC. 29, T31N, R8W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO

NEW ROAD  
EXISTING ROADS

AMOCO PRODUCTION COMPANY OFFSET OPERATOR PLAT

Kernaghan B #3B Well  
1245' FSL, 1840' FEL, Section 29-T31N-R8W  
Blanco Mesaverde Pool  
San Juan County, New Mexico



-  SPACING UNIT TO BE DOWNHOLE COMMINGLED
-  AMOCO PRODUCTION COMPANY
-  MERIDIAN OIL INC.
-  CONOCO, INC.
-  PHILLIPS PETROLEUM COMPANY

LIST OF ADDRESSES FOR OFFSET OPERATORS

**Kernaghan B #3B**

- 1** Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499
- 2** Conoco, Inc.  
10 Desta Drive West  
Midland, Texas 79705
- 3** Phillips Petroleum Company  
4001 Penbrook Rm 400A  
Odessa, Texas 79762