



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary


April 23, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Amoco Production Company
San Juan Business Unit
501 West Lake Park Boulevard
Houston, Texas 77079-3092



Attention: Mary Corley

 **Re:** Administrative application of Amoco Production Company for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987, as amended, by Division Order No. R-10987-B, for the Florance "U" Well No. 6-M (API No. 30-045-30407) to be drilled 1930 feet from the South line and 2400 feet from the East line (Unit J) of Section 23, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico.

Dear Ms. Corley:

I, along with the Division's Aztec district office, have reviewed the subject application and the records of the New Mexico Oil Conservation Division ("Division") concerning this matter, please be advised that:

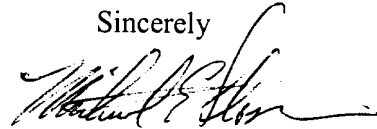
- (1) with the inception of Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, most operators have been given an additional 28.10 acres on the surface within a single quarter section to locate Dakota gas wells at a location considered to be standard;
- (2) in instances where a single wellbore is to be utilized in more then one producing horizon, the operator is expected to drill that well at a location considered to be standard for all intended zones and not just one of the intended formations with the expectation that this is reason enough for approval;
- (3) the reason for this location is neither based on topography or geology and therefore does not qualify for administrative approval; and.
- (4) from the information provided, there appear to be areas within the 120 acres comprising the N/2 SE/4 and SE/4 SE/4 of Section 23 that this well can be drilled that satisfy the minimum setback requirements for Dakota gas wells.

This application is hereby **denied** and is being returned to you at this time.

As a reminder our pool rules are serious matters for the purpose of orderly development of New Mexico's valuable oil and gas resources. It is very easy to get into a mode of thinking that considers these rules as minor inconveniences and applications for exceptions as "open and shut" issues. Since the primary objective of the recent amendments to all location requirements in the San Juan Basin (see Division Rule 104 and Division Orders No. R-10987-A and R-8768-B) were to grant operators increased flexibility in locating wells and to decrease the number of applications for unorthodox locations, all future location exceptions will require substantial justification, *i.e.*, unusual circumstances.

Thank you for your understanding, cooperation, and continued support in making this newly improved portion of New Mexico's conservation rules a meaningful success.

Sincerely



Michael E. Stogner
Chief Hearing Officer/Engineer

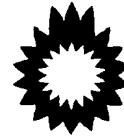
cc: ~~New Mexico Oil Conservation Division - Aztec~~
U. S. Bureau of Land Management - Farmington
Ms. Lori Wrotenbery, Director - NMOCD, Santa Fe
Kathy Valdes, NMOCD - Santa Fe
William F. Carr, Legal Counsel for Amoco Production Company - Santa Fe

108249418

NSL

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San Juan Business Unit
Amoco Production Company
A Part of the BP Amoco Group
501 WestLake Park Blvd.
Houston, TX 77079-3092

Phone: 281-366-4491

March 20, 2001

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505

RECEIVED
MAR 22 2001

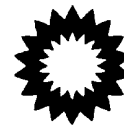
Application For Non-Standard Well Location
Florance U Well No. 6M (30-045-30407)
1930' FSL, 2400' FEL, Section 23-T30N-R09W
Basin Dakota Gas Pool
San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval for an non-standard well location for our Florance U well no. 6M to be drilled and completed in both the Basin Dakota and the Blanco Mesaverde Gas Pools and downhole commingled. The subject well will require a non-standard location exception for the Basin Dakota completion as the proposed location does not conform to the Dakota location requirements that stipulate that a well be located no closer than 660' to any outer boundary of the quarter section on which the well is located. The proposed well location is 240' from the west line of the quarter section as shown on the attached Form C-102.

We respectfully request than administrative approval be granted for this Dakota location as stated above our intention is to completed in both the Dakota and Mesaverde Pools and downhole commingle. Application will be made to commingle the Mesaverde and Dakota via a separate application. The well is outside the well location window for the Dakota by being too close to the interior quarter section line thereby crowding our own spacing unit. Amoco is the only affected party. By completing the well at the proposed location it conforms to Mesaverde spacing requirements, prevents waste in the Mesaverde, minimizes interference with other Mesaverde wells and allows maximum drainage and recovery of the Mesaverde resource.

Also attached for your reference is a 9 Section plat with the subject well and surrounding wells identified, a portion of a topographic map with the well identified, and a map indicating directions to the well location.

bp



Your attention to this matter is greatly appreciated. Should you have any questions concerning this application please do not hesitate to call me at 281-366-4491.

Sincerely,

A handwritten signature in black ink that reads "Mary Corley".

Mary Corley
Sr. Regulatory Analyst

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

District I
PO Box 1980, Hobbs NM 88241-1980
District II
PO Drawer KK, Artesia, NM 87211-0719
District III
1000 Rio Brazos 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

1 API Number		2 Pool Code 71599 & 72319		3 Pool Name Basin Dakota & Blanco Mesaverde		
4 Property Code 000553		5 Property Name FLORANCE U			6 Well Number 6M	
7 OGRID No. 000778		8 Operator Name AMOCO PRODUCTION COMPANY			9 Elevation 5983	

10 Surface Location

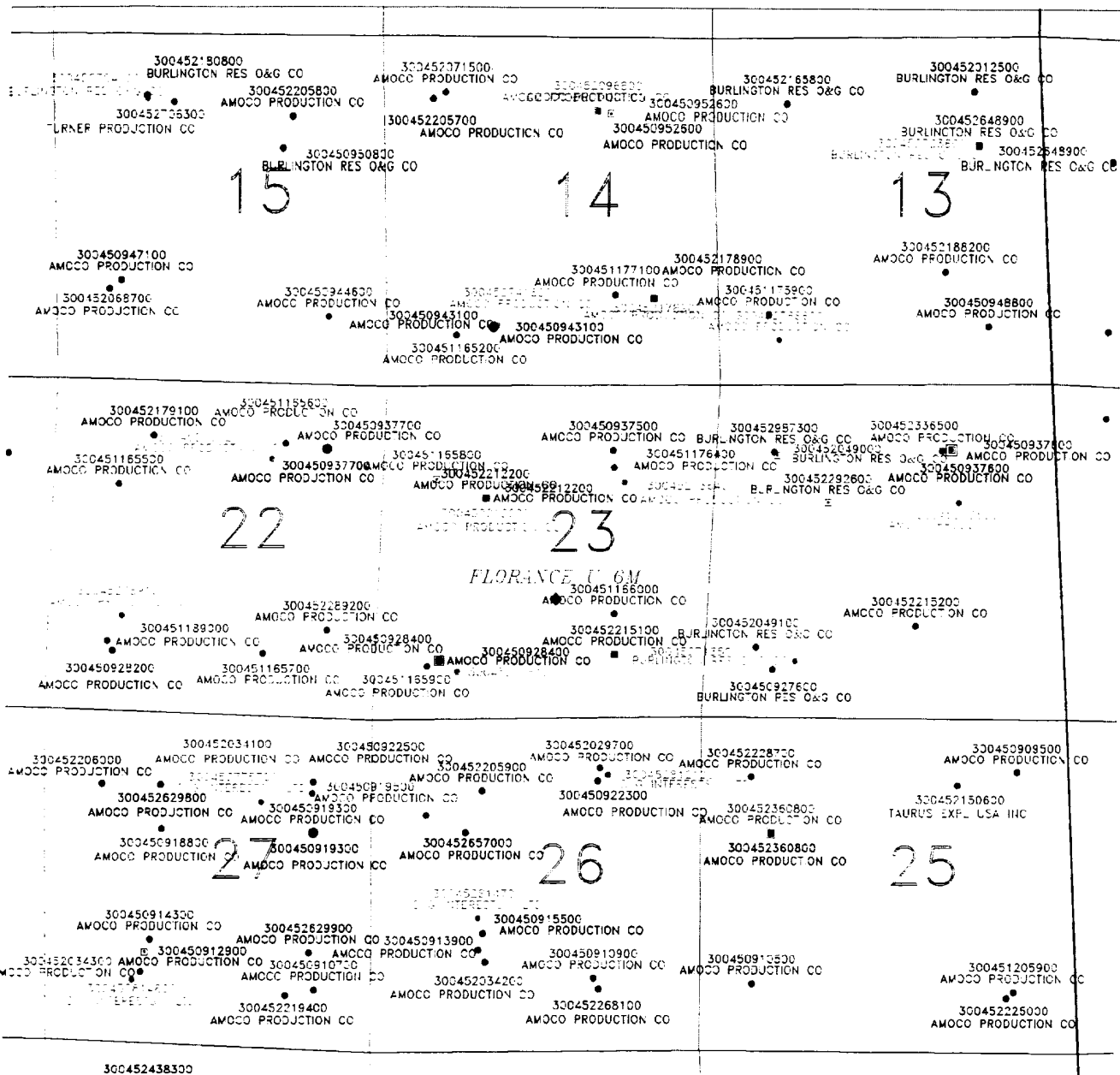
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	23	30 N	9 W		1930	SOUTH	2400	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

12 UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
13 Dedicated Acres 320.00		14 Joint or Infill		15 Consolidation Code		16 Order No.			

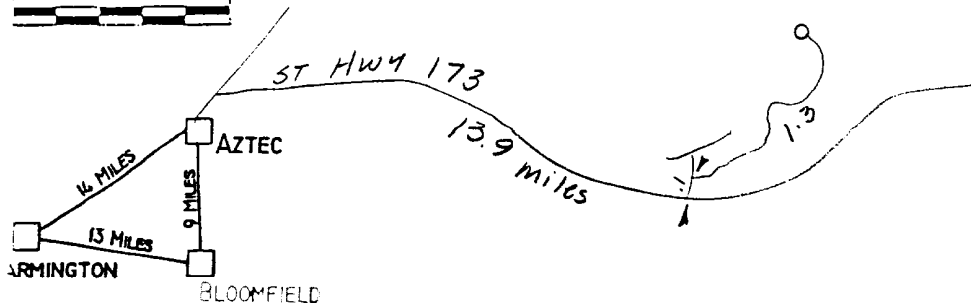
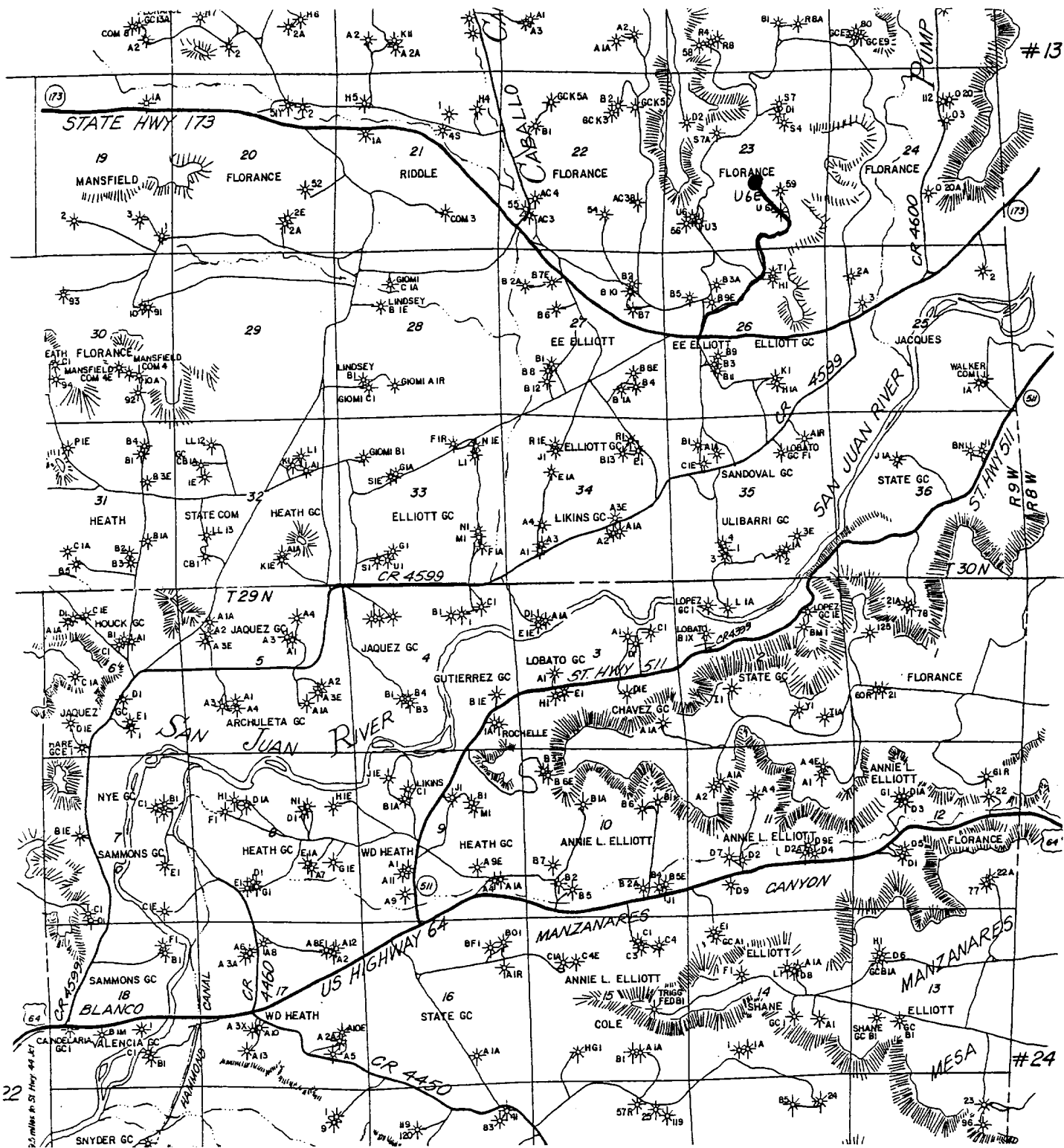
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Mary Conley Printed Name Sr. Regulatory Analyst Title 02/19/2001 Date
	18 SURVEYOR CERTIFICATION <i>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.</i> November 24, 2000 Date of Survey Signature and Seal of Professional Surveyor 7016 Certificate Number



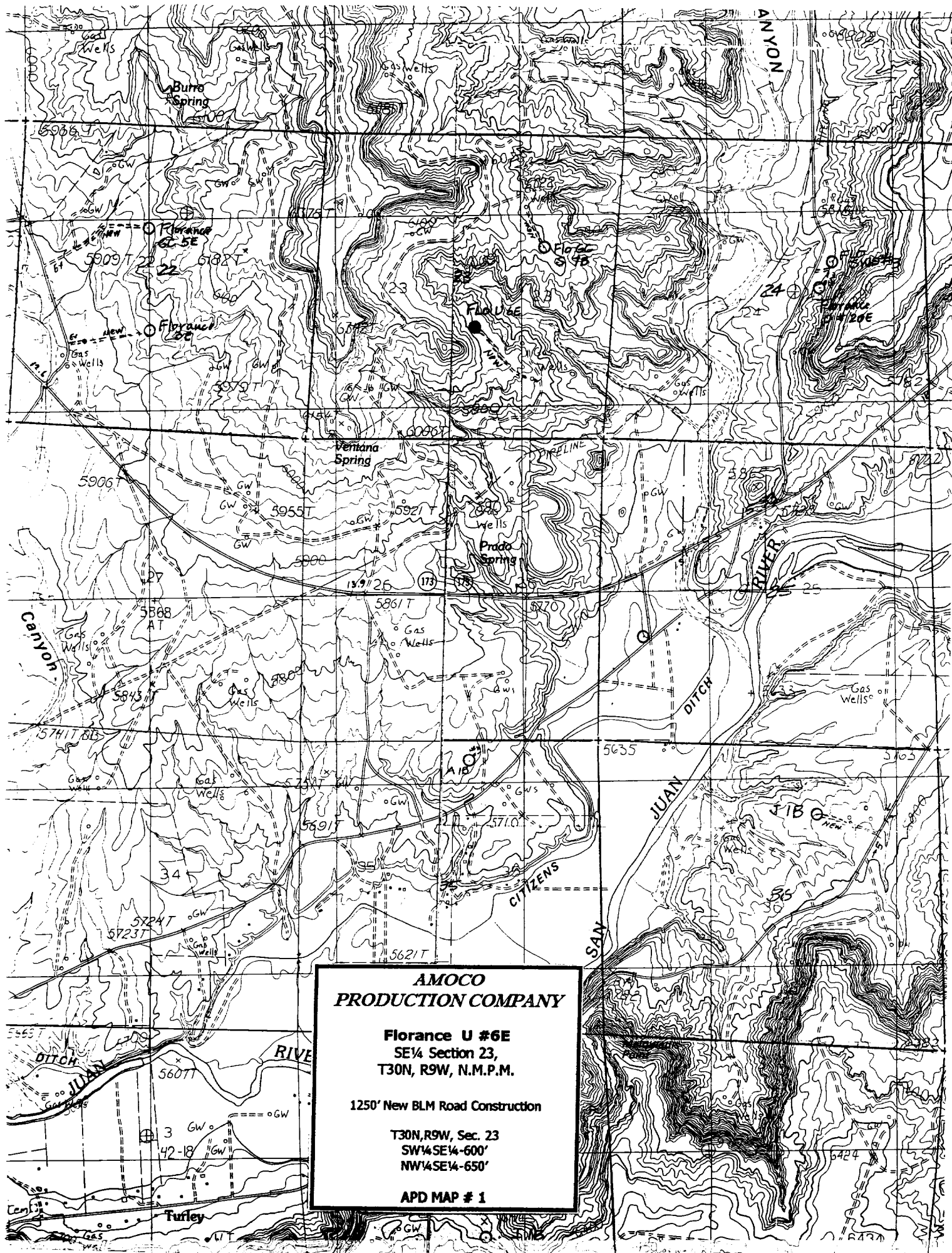
- DAKOTA ACTIVE WELL
- DAKOTA INACTIVE WELL
- MESAVARDE ACTIVE WELL
- MESAVARDE INACTIVE WELL
- PICTURED CLIFFS ACTIVE WELL
- PICTURED CLIFFS INACTIVE WELL

AMOCO PRODUCTION COMPANY HOUSTON, TEXAS			
9 Section Plat			
30N 9W Section 23			
Florance U 6 M			
SCALE	DRAWN C. E. SACKETT	DATE 5-FEB-2001	
CORRECTIONS			



LAT: 36°47.7'
LONG: 107°44.9'

AMOCO PRODUCTION COMPANY
Florance U # 6M
SE¼ Sec. 23, T30N, R9W, NMPM
RAIL POINT:
MUD POINT:
CANE POINT:



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF - 080005	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR AMOCO PRODUCTION COMPANY P.O. BOX 3092 HOUSTON, TX 77079		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. MARY CORLEY SUBMITTING CONTACT PHONE 281.366.4491 EXT: FAX: 281.366.0700 EMAIL: corleyml@bp.com		8. FARM OR LEASE NAME, WELL NO. FLORANCE U 6M	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At Surface 1930FSL AND 2400FEL NWSE SEC 23 T30N R9W At proposed prod. zone		9. API WELL NO. 30-045-30407	
14. DISTANCE IN MILES AND DIRECTION FROM THE NEAREST TOWN OR POST OFFICE 15 MILES FROM AZTEC, NM		10. FIELD AND POOL, OR WILDCAT BASIN DAKOTA/BLANCO MESAVERDE	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SECTION 23 T30N R9W MERIDIAN NMP	
16. NO. ACRES IN LEASE 320.00		12. COUNTY OR PARISH SAN JUAN	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320.00		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE FT.		19. PROPOSED DEPTH 7419 MD / TVD	
20. ROTARY OR CABLE TOOLS ROTARY		21. APPROX. DATE WORK WILL START* 04/10/2001	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5983 GL		22. APPROX. DATE WORK WILL START* 04/10/2001	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

Notice of Staking Submitted 12-07-2000 as Florance U #6E. Please change well number to 6M. Amoco Production Company respectfully request permission to drill the subject well to a total depth of approximately 7419', complete in the Basin Dakota Pool, produce the well for approximately 30 days to establish production rate, add the Blanco Mesaverde Pool and commingle production downhole. Application for downhole commingling authority (NMOCD order R-11363) will be submitted to all appropriate parties for approval after production has been established in the Basin Dakota Pool and prior to completion of and downhole commingling with the Blanco Mesaverde. In support of our application for permit to drill we have attached 8 documents (1 .doc and 7 .pdf files).

production permit pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

8 documents
SUBMITTED IN TRIPLICATE WITH ATTACHED
"GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. ELECTRONIC SUBMISSION #2689 VERIFIED BY THE BLM WELL INFORMATION SYSTEM FOR AMOCO PRODUCTION COMPANY SENT TO THE FARMINGTON FIELD OFFICE		
SIGNED <u>MARY CORLEY</u>	TITLE <u>SUBMITTING CONTACT</u>	DATE <u>02/19/2001</u>

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL IF ANY:

APPROVED BY [Signature] TITLE Petr. Eng. DATE 3/1/01



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

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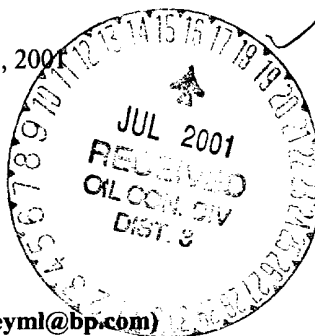
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

July 7, 2001



Amoco Production Company
San Juan Business Unit
501 West Lake Park Boulevard
Houston, Texas 77079-3092

Attention: Mary Corley, Sr. Regulatory Analyst (corleyml@bp.com)

Administrative Order NSL-4603

Dear Ms. Corley:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on June 4, 2001; and (ii) the Division's records in Aztec and Santa Fe: all concerning Amoco Production Company's ("Amoco") request for an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, dated June 30, 2000, as amended by Division Order No. R-10987-B (1), dated August 10, 2000. The S/2 of Section 23, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico is to be dedicated to Amoco's proposed well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox gas well location in Section 23 is hereby approved:

Florance "U" Well No. 6-M
1930' FSL & 2400' FEL (Unit J) - 23-30N-9W
(API No. 30-045-30407).

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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