



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

January 31, 2002

Lori Wrotenbery

Director

Oil Conservation Division

BP America Production Company
P. O. Box 3092
Houston, Texas 77253-3092
Attention: Mary Corley



Administrative Order NSL-4691

Dear Ms. Corley:

Reference is made to the following: (i) your original application (*application reference No. pKRV0-110640952*) filed in the name of Amoco Production Company that was submitted to the New Mexico Oil Conservation Division ("Division") on April 11, 2001; (ii) the Division's responses by letter dated May 2, 2001 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe **denying** this application; (iii) your re-submittal of this application to the Division on January 24, 2002 (*application reference No. pKRV0-202552340*); and (vi) the Division's records in Aztec and Santa Fe: all concerning BP America Production Company's ("BP") 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, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Order No. R-10987-B (1), dated August 10, 2000 (which were in effect at the time this application was filed), for a non-standard Basin-Dakota replacement gas well location within an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool (71599) comprising the E/2 of Section 20, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico. This unit is currently assigned to BP's Florance Well No. 2-E (API No. 30-045-26165), located at a standard gas well location 990 feet from the South line and 1450 feet from the East line (Unit O) of Section 20.

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

Initial development of Basin-Dakota gas production within this 320-acre unit commenced in 1951 when Delhi Oil Corporation drilled and completed its Florance Well No. 2 (API No. 30-045-09372) at a standard gas well location 990 feet from the North and East line (Unit A) of Section 20. According to the Division's records, Amoco Production Company abandoned the Basin-Dakota interval within this wellbore in 1980.

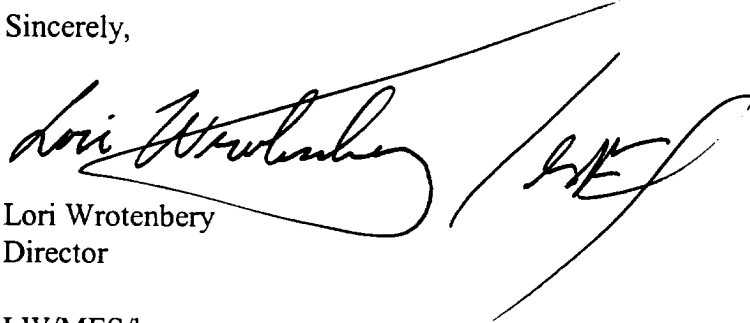
By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled as a replacement to the initial gas well on this 320-acre unit at an unorthodox gas well location is hereby approved:

**Florance Well No. 2-M
2355' FNL & 1785' FEL (Unit G)
(API No. 30-045-30624)**

20-30N-09W 9

Further, both of the aforementioned Florance Wells No. 2-E and 2-M and existing 320-acre gas spacing and proration 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

REMARK:

This administrative order is being released at this time since your application was submitted prior to the issuance of Division Order No. R-10987-B (2) on January 29, 2002 (see copy attached).