

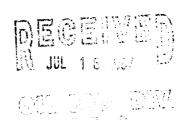
June 5, 1997

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

Application For Deviated Wellbore - Rule 111.C. Wallace Gas Com #1
Unit H Section 35-T31N-R11W
Blanco Mesaverde Pool
San Juan County, New Mexico

Amoco Production Company San Juan Business Unit

1670 Broadway Post Office Box 800 Denver, Colorado 80201 303-830-4040



Amoco Production Company hereby requests administrative approval to enter the existing wellbore in the Wallace Gas Com #1 well referenced above and directionally drill the well in the Blanco Mesaverde Pool. The well is currently completed as a marginal producing well in the Blanco Mesaverde Pool. Directionally drilling the well will help place the wellbore away from the original openhole completion and provide an opportunity to encounter the naturally occurring fracture system in the Mesaverde formation which will increase the producing rate and ultimate recovery of gas for this well. The main reason that we are directionally drilling this well is to ensure that we move west to stay at an orthodox bottomhole location. Currently the well is located at the farthest east point in the drilling window. We are requesting the Project Area for this well to be the Blanco Mesaverde gas proration unit consisting of N/2 Section 35-T31N-R11W with the Producing Area for the well to consist of a rectangle inside the gas proration unit that is not closer than 790' from the outer boundaries of the gas proration unit.

In accordance with Rule 111-D.(2), attached to aid in your review are:

- 1) a plat showing the well location, project area and producing area for the project well and the offset spacing units, their wells and operators;
- 2) a vertically oriented plan view for the project well showing top and bottom of the pool, degree of angle to be built, kickoff point, penetration point and lateral length;
- 3) a horizontal plan view for the project well showing the project area, producing area, estimated azimuth and maximum length of the lateral;
- 4) a type log section identifying the top and bottom of the pool.

As notification, a copy of this application will be sent by certified mail return receipt requested to the offset operators shown on the attached list advising them that if they have any objection, it must be filed in writing within (20) days of the date notice was sent.

Sincerely

Pamela W. Staley

Attachments

cc.

Mark Rothenberg, Amoco

Pat Archuleta, Amoco

Wellfile

Proration Files

DATA SUMMARY SHEET

WELLNAME
Wallace Gas Com #1

API 30-045-10150

LOCATION
Unit H Section 35-T31N-R11W

ACREAGE IN SPACING UNIT N/2 SPACING UNIT - 320 ACRES

LOCATION FOOTAGES 1640 FNL X 790 FEL

STANDARD LOCATION? VES

OTHER WELL(S) PRODUCING IN SPACING UNIT IN MESAVERDE POOL NO

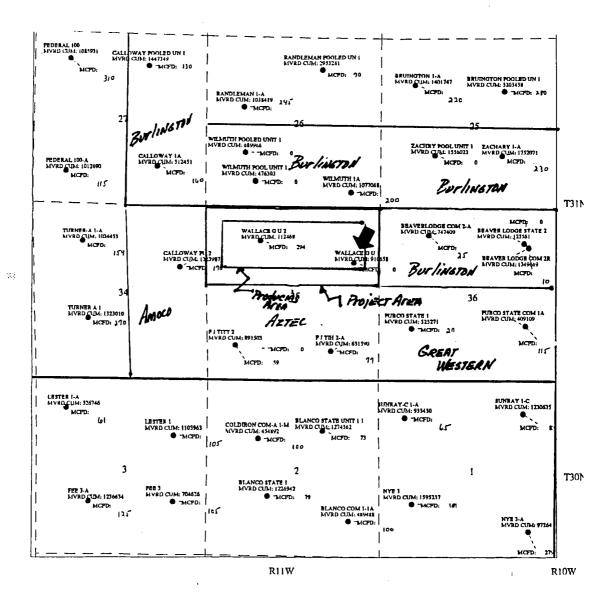
REASON FOR DEVIATION OR DIRECTIONAL DRILLING
SIDETRACK TO GET AWAY FROM DAMAGED WELLBORE AND INTERCEPT NATURAL
FRACTURES. SINCE CURRENT BOTTOMHOLE LOCATION IS AT THE FURTHEST POINT IN THE
DRILLING WINDOW (790 FEL) IT IS OUR INTENT TO DEVIATE THIS WELLBORE ONLY TO
ENSURE BEING AT AN ORTHODOX BOTTOMHOLE LOCATION

KICKOFF POINT 3500'

DIRECTION TO BE DRILLED WEST

TYPE CURVE HIGH ANGLE

LATERAL DISTANCE FROM VERTICAL OR ORIGINAL WELLBORE ESTIMATE 766' AT 270 DEGREES TO STAY AT AN ORTHODOX BOTTOMHOLE LOCATION



AMOCO PRODUCTION COMPANY

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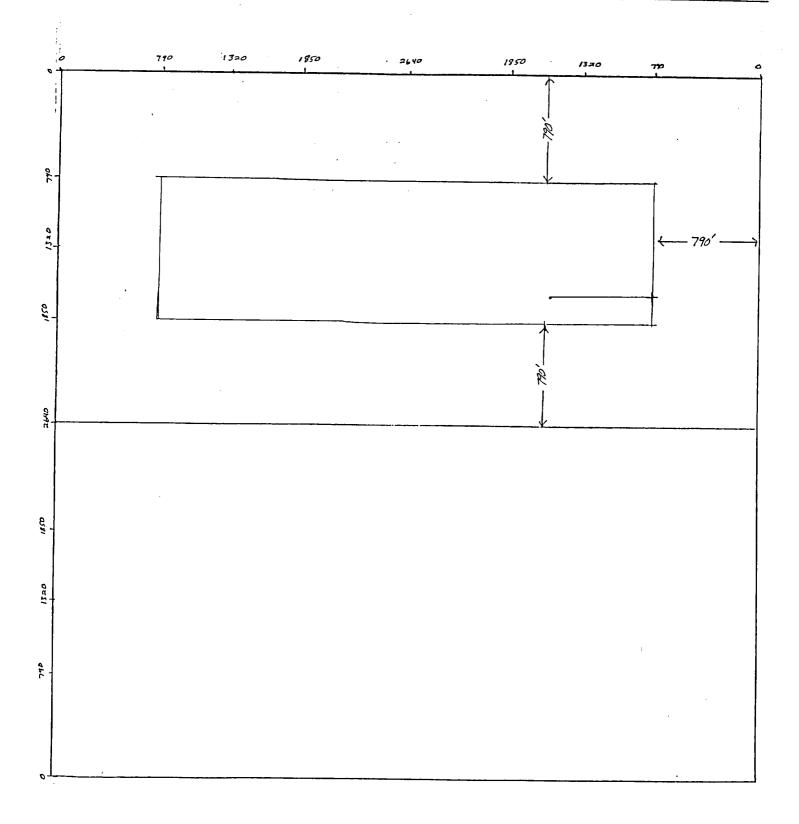
OFFSET OPERATOR LIST

Wallace Gas Com #1

Burlington Resources Oil and Gas Co. P.O. Box 4289 Farmington, NM 87499

Aztec Oil and Gas Corporation 6658 Village Drive Casper, Wyoming 82604-3606

Great Western Drilling Company P.O. Box 1659 Midland, Texas 79702 SUBJECT Wallace Gas Com 1 - 3004510150 1640' FNL X 790' FEL SELTIUN 35-31N-11W ppn _____ate ____



Scale: linch = 800ft

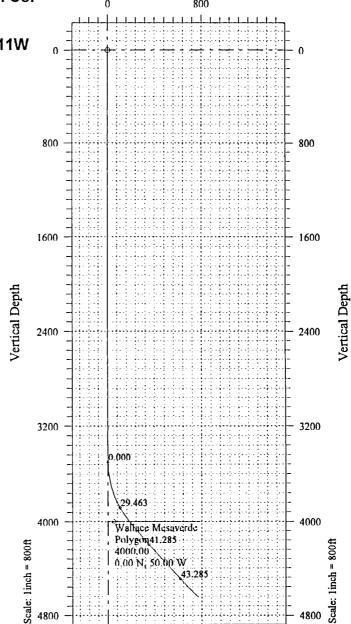
Vertical Section

Section Azimuth: 270.000 (True North)

Customer: Amoco Production Co. Folder: Amoco Production Co.

Field: New Mexico

Project: Re-Entry Wells Structure: Sec 35-T31N-R11W Well: Wallace Gas Com 1

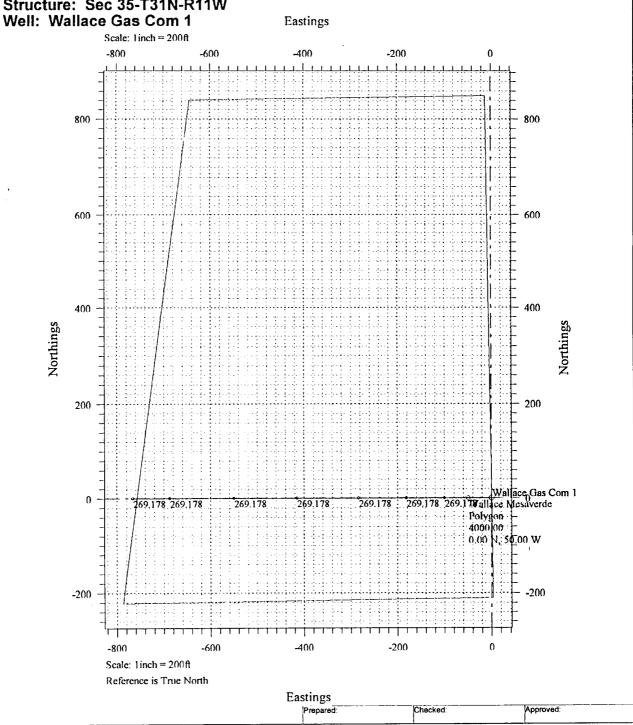


Scale: 1inch = 800ft Section Azimuth: 270,000 (True North) Vertical Section

> Approved: Prepared: Checked:

Customer: Amoco Production Co. Folder: Amoco Production Co.

Field: New Mexico Project: Re-Entry Wells Structure: Sec 35-T31N-R11W



Sperry-Sun Drilling Services



Proposal Report for Wallace Gas Com 1 - Re-Entry Well

Amoco Production Co. New Mexico

Re-Entry Wells Sec 35-T31N-R11W

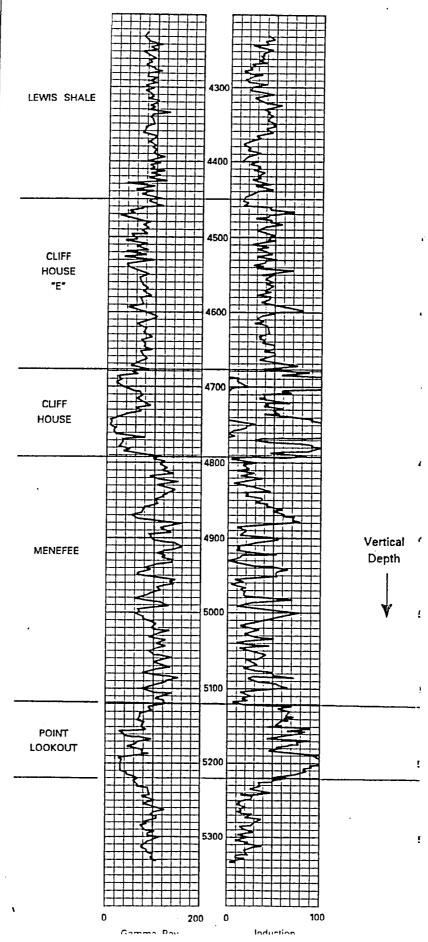
Measured Depth (ft)	Incl.	Azim.	Vertical Depth (ft)	Northings (ft)	Eastings (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	
0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00		
3500.00	0.000	0.000	3500.00	0.00 N	0.00 E	0.00	0.000	
4043.05	40.000	270.000	4000.00	0.00 N	181.99 W	181.99	7.366	
4913.61	44.353	270.000	4645.00	0.00 N	766.35 W	766.35	0.500	

All data is in feet unless otherwise stated. Directions and coordinates are relative to True North. Vertical depths are relative to Structure. Northings and Eastings are relative to Structure.

The Dogleg Severity is in Degrees per 100ft. Vertical Section is from Well and calculated along an Azimuth of 270.000° (True). Coordinate System is NM-W. Grid Convergence at Surface is -0.822°.

Based Upon Minimum Curvature type calculations, at a Measured Depth of 4913.61ft., The Bottom Hole Displacement is 766.35ft., in the Direction of 270.000° (True).

Typical M.V. Log T32N, R10W San Juan County, New Mexico



<u>DISTRICT I</u>
P.O. Box 1980, Hobbs, NM 88240

<u>DISTRICT II</u>
311 South First,, Artesia, NM 88210

<u>DISTRICTIII</u>
1000 Rio Brazos Rd., Aztec, NM 87410

2040 South Pacheco, Sante Fe, NM 87505

DISTRICT IV

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 18, 1994

Submit to Appropriate District Office

State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3004510150		Pool Co	72319	Pool Na	Pool Name Blanco Mesaverde					
Property Code 0012	08	Property Name	!	Wa	allace Gas Co	m		Well Num	iber 1	
OGRID No. 0007	78	Operator Name		AMOCO PF	RODUCTION	COMPANY		Elevation	1640	
				Su	rface Loc	ation				
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West Line	County	
UNIT H	35	31N	11W		1640	NORTH	790	EAST	San Juan	
		Bott	om Hol	e Location	If Differe	nt From Sur	face			
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West Line	County	
Dedicated Acreage	: .	Joint or Infill	Con	solidation Code	Order No.			1		

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

	1640'	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature
	0-1556. 196	Printed Name Pat Archuleta Position Staff Assistant Date
		SURVEY CERTIFICATION 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 knowledge and belief. 02/15/1957
;		Date of Survey Signature & Seal of Professional Surveyor James P. Leese
	·	Certificate No.

NEW MEXICO

WELL LOCATION AND/OR GAS PRORATION PLAT

OPERATOR	PAN AM	ERICA	N PETRO	LEUM_	CORP.L	EASE	WALLAC	EB GAS			Bry 22, 1957
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