



Southern
Rockies
Business
Unit

May 24, 1996

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

RECEIVED
MAY 31 1996
OIL CON. DIV.
DIST. 3

Atlantic LS #2R Well
Unit G Section 24-T31N-R10W
Blanco Mesaverde Pool
San Juan County, New Mexico

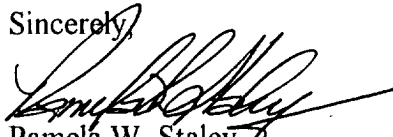
Referencing our telephone conversation, Amoco hereby requests permission to use an existing Directional Drilling Order for a replacement well to be drilled 40 feet to the north and 20 feet to the east of the original well location. Amoco originally applied under Rule 111 (Amended by Order No. R-10388) to directionally drill a high angle/horizontal well from the existing Atlantic LS #2 wellbore located at 1650' FNL and 1450' FEL Section 24-T31N-R10W. Permission was granted under Administrative Order DD-134. During the sidetracking of this wellbore, drillpipe was stuck in the well which eventually led to abandonment of the wellbore.

Presently, Amoco requests permission to use this existing Directional Drilling order for the replacement well to be drilled at a surface location of 1610' FNL and 1430' FEL on the same drilling pad. This will be a new well, however, it is our plan to use the same kickoff point to directionally drill to a similar bottomhole location. We plan to set our 7 inch casing at 3568' and drill directionally from below that casing point. In the original well we began our window at 3772'. We plan to stay in the same drilling producing window and the Project Area (E/2 Section 24, T31N-R10W) remains the same. Attached is a copy of the order referred to above.

Since we plan to spud the new well as soon as we receive our drilling permits, we would appreciate your assistance in expediting our request.

Should there be questions concerning this matter, please contact me at (303) 830-5344.

Sincerely,



Pamela W. Staley

Enclosures

cc: Mike Kutas
Steve Webb
Gail Jefferson
Wellfile
Proration File

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

Duane Spencer
Bureau of Land Management
1235 La Plata Hwy.
Farmington, NM 87401



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

March 27, 1996

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

Administrative Order DD-134

Dear Mr. Hawkins:

Reference is made to Amoco Production Company's application dated February 2, 1996 for authorization to recomplete the existing Atlantic "LS" Well No. 2 (API No. 30-045-10585) by side tracking off of the vertical portion of the wellbore and drill a high angle slant hole to a pre-determined bottom-hole location in order to further develop the Blanco-Mesaverde Pool underlying its existing 271.94-acre non-standard gas spacing and proration unit ("GPU") comprising Lots 1, 2, 6, 7, 8, 9, 13, and 14 (E/2 equivalent) of Section 24, Township 31 North, Range 10 West, NMPM, San Juan County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111(D) and (E) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995;
- (2) The Atlantic "LS" Well No. 2, located at a standard gas well location 1650 feet from the North line and 1450 feet from the East line (Lot 6/Unit G) of said Section 24, was originally drilled and completed in 1953 as an initial Blanco-Mesaverde gas well, and was assigned the above-described 271.94-acre GPU;
- (3) By Order No. R-8170, as amended, the Division promulgated the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool*", which includes provisions for 320-acre gas spacing and proration units and well location requirements whereby the initial well drilled on a GPU shall be located be no closer than 790 feet to the outer boundary of the quarter section on which the well is located and not closer than 130 feet to any quarter-quarter section line or subdivision inner boundary and the infill well drilled on an existing GPU shall be in the quarter section not containing a Mesaverde gas well and shall be located with respect to the restrictions as previously described;

- (4) Within this GPU Amoco is also producing Blanco-Mesaverde gas from its Atlantic "LS" Well No. 2-A (API No. 30-045-22992), located at a standard infill gas well location 1520 feet from the South line and 880 feet from the East line (Lot 8\Unit I) of said Section 24;
- (5) A high angle slant hole drilled off of the existing vertical wellbore in the Atlantic "LS" Well No. 2 as proposed should provide Amoco a better opportunity to encounter the naturally occurring fracture system in the Mesaverde formation, which should result in a higher production rate and an increased ultimate recovery of gas from this well;
- (6) The applicant/operator proposes to kick-off from vertical at a depth of approximately 4,000 feet by milling a window in the existing production casing, drill in an easterly direction, build to an angle of approximately 25.5 degrees and continue drilling in such a manner as to bottom back into the Blanco-Mesaverde Pool, with total horizontal displacement of said wellbore to be approximately 660 feet;
- (7) The applicable drilling window or "producing area" for said wellbore should include that area within the NE/4 equivalent of said Section 24 that is no closer than 790 feet to the quarter section lines; and,
- (8) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said Rule 111.D and E, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of Division General Rule 111.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Amoco Production Company, is hereby authorized to recomplete its existing Atlantic "LS" Well No. 2 (API No. 30-045-10585), located at a standard gas well location 1650 feet from the North line and 1450 feet from the East line (Lot 6/Unit G) of Section 24, Township 31 North, Range 10 West, NMPM, San Juan County, New Mexico, by milling a window in the existing production casing at a depth of approximately 4,000 feet, kick-off from vertical in an easterly direction, build to an angle of approximately 25.5 degrees and continue drilling in such a manner as to bottom back into the Blanco-Mesaverde Pool (total horizontal displacement of said wellbore to be approximately 660 feet) within a drilling window or "producing area" comprising the NE/4 equivalent of said Section 24 that is no closer than 790 feet to the quarter section lines.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Aztec district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Aztec offices of the Division upon completion.

(3) Blanco-Mesaverde gas production from both the existing Atlantic "LS" Well No. 2-A (API No. 30-045-22992), located at a standard infill gas well location 1520 feet from the South line and 880 feet from the East line (Lot 8/Unit I) of said Section 24, and Atlantic "LS" Well No. 2, as described above, shall be attributed to the existing 271.94-acre non-standard gas spacing and proration unit ("GPU") comprising Lots 1, 2, 6, 7, 8, 9, 13, and 14 (E/2 equivalent) of said Section 24.

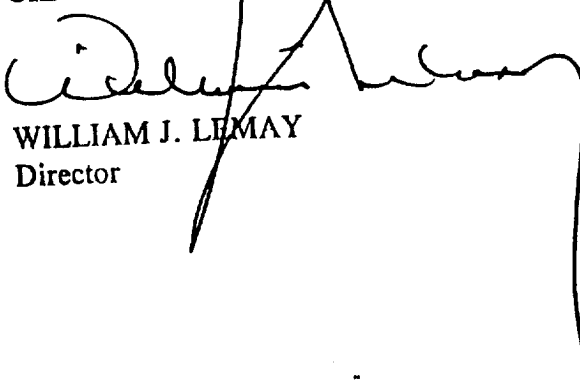
(4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F and Order No. R-8170, as amended.

(5) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

WJL/MES/kv

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

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Hrazos 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		3. Pool Name	
		72319		Blanco Mesayerde	
4. Property Code		5. Property Name			6. Well Number
000278		ATLANTIC LS			# 2R
7. OGRID No.		8. Operator Name			9. Elevation
000778		AMOCO PRODUCTION COMPANY			6571

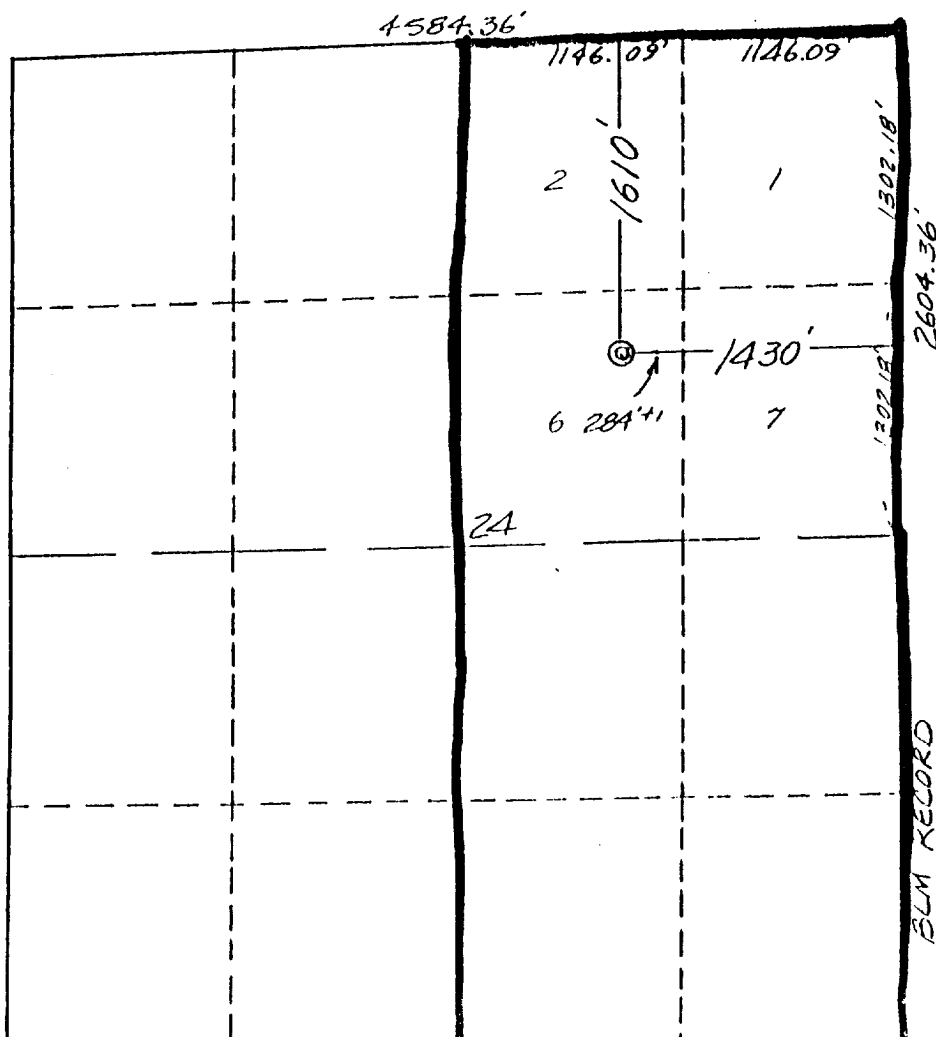
10. Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lot 6	24	31 N	10 W		1610	NORTH	1430	EAST	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12. Dedicated Acres		13. Joint or Infill		14. Consolidation Code		15. Order No.			
271.94									

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

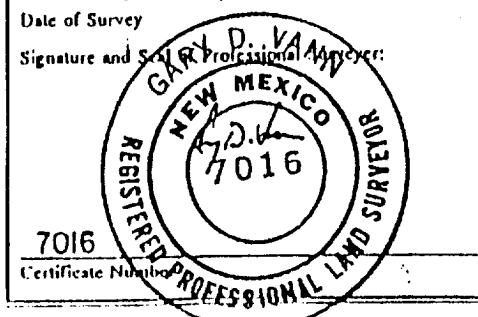
Signature: Patty Haeefe
Printed Name: Patty Haeefe
Title: Staff Assistant
Date: 5/6/96

18. SURVEYOR 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 belief.

April 25, 1996

Date of Survey
Signature and Seal of Professional Approver:



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT - " for such proposals

5. Lease Designation and Serial No.

NM-013688

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Atlantic LS

2

9. API Well No.

3004510585

10. Field and Pool, or Exploratory Area

Blanco Mesaverde

11. County or Parish, State

San Juan

New Mexico

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Amoco Production Company

Attention:

Patty Haeefe

3. Address and Telephone No.

P.O. Box 800, Denver, CO 80201

(303) 830-4988

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' FNL

1450' FEL

Sec. 24 T 31N R 10W

Unit G

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Sidetrack

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Amoco Production Company requests permission to sidetrack this wellbore in the Mesaverde per the attached procedure.

14. I hereby certify that the foregoing is true and correct

Signed

Patty Haeefe

Title

Staff Assistant

Date

02-05-1996

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.