



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 21, 1998

RECEIVED
DEC 22 1998
OIL CON. DIV.
DIST. 3

Amoco Production Company
P. O. Box 800
Denver, Colorado 80201-0800
Attention: Pamela Staley

K-21 W-1110

Administrative Order NSL-4181

Dear Ms. Staley:

Reference is made to your application dated November 18, 1998, which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on November 30, 1998, for an exception to the well location requirements provided within the "Special Rules and Regulations for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987, for a non-standard gas well location in an existing standard 322.90-acre stand-up gas spacing and proration unit for the Blanco-Mesaverde Pool comprising Lots 3 through 6, and Lots 11 through 14 (W/2 equivalent) of Section 27, Township 31 North, Range 10 West, NMPM, San Juan County, New Mexico. This unit is currently dedicated to Amoco Production Company's: (i) Atlantic "A-LS" Well No. 9 (API No. 30-045-10262), the initial well on this unit, located at a standard gas well location 1090 feet from the North and 1650 feet from the West line (Lot 14/Unit Letter N) of Section 27; and, (ii) Atlantic "A-LS" Well No. 9-A (API No. 30-045-22492), located at a standard infill gas well location 1185 feet from the North line and 1575 feet from the West line (Lot 3/Unit Letter C) of Section 27.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

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 27 is hereby approved:

**Atlantic "A-LS" Well No. 9-B
2330' FSL & 1610' FWL (Lot 11/Unit Letter K)**

Further, Amoco Production Company is authorized to dedicate Blanco-Mesaverde gas production on the subject unit from the proposed Atlantic "A-LS" Well No. 9-B with the two existing Atlantic "A-LS" Wells No. 9 and 9-A. These three wells and the existing 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/MWA/kv

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

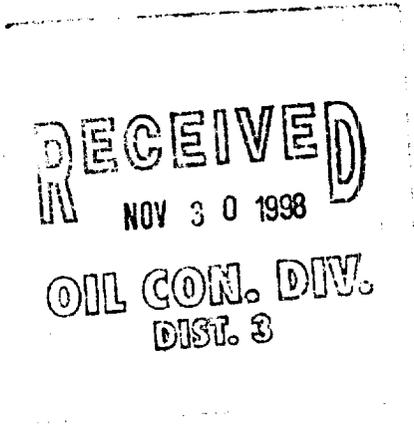


Amoco Production Company

Amoco Building
1670 Broadway
Post Office Box 800
Denver, Colorado 80201-0800
(303) 830-4040

November 18, 1998

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P.O. Box 6429
Santa Fe, NM 87505



Application For Unorthodox Location
Atlantic A #9B Well
2330' FNL, 1610' FEL
Unit K Section 27-T31N-R10W
W/2 Spacing Unit
Blanco Mesaverde Pool
San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval for an unorthodox well location for the Atlantic A #9B well in the Blanco Mesaverde Pool. Amoco plans to drill this well at an unorthodox location as a third well in the existing spacing unit to access reserves which would otherwise be bypassed with the current well density. This well, as proposed, would be moving toward the center line of the spacing unit only and would be well within the standard 790 foot setback from the outer boundaries of the spacing unit. We are locating this well toward the center of the spacing unit, away from the parent and original infill, which would cause it to fall outside the traditional drilling windows for the Blanco Mesaverde Pool.

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 Mesaverde wells drilled in the area.

Pamela W. Staley

Attachments

cc: Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Road
Aztec, NM 87410
Mark Yamasaki, Amoco
Gail Jefferson, Amoco

WAIVER

_____ hereby waives objection to Amoco's application for an unorthodox well location for the Atlantic A #9B well described above.

By: _____

Date: _____

APPLICATION FOR APPROVAL OF UNORTHODOX LOCATION UNDER RULE 104-F

**Atlantic A #9B Well
2330' FNL, 1610' FEL
Unit K Section 27-T31N-R10W
W/2 Spacing Unit**

LIST OF ADDRESSES FOR OFFSET OPERATORS

Atlantic A #9B Well

ATTACHMENTS:

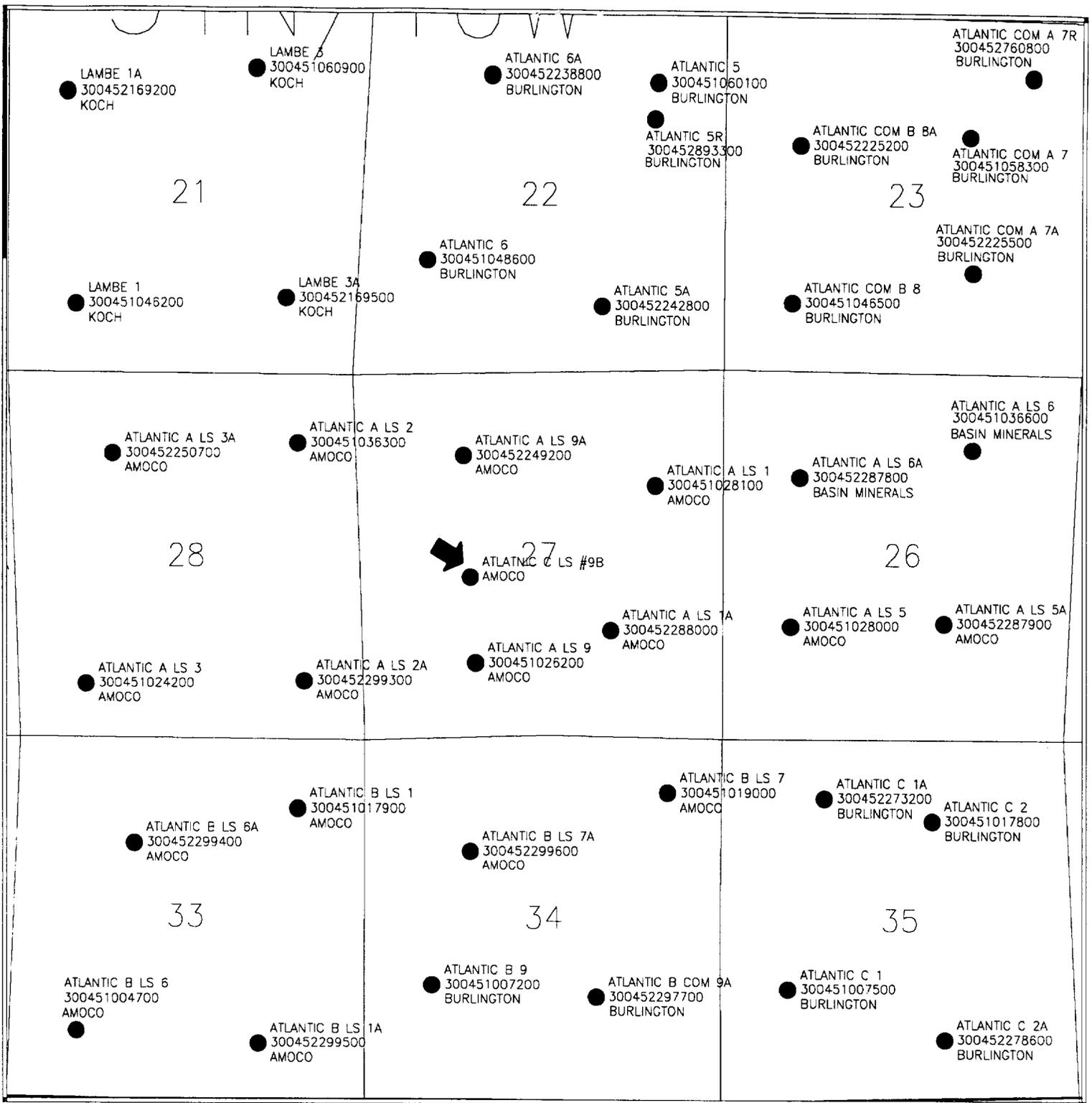
- 9-SECTION PLAT SHOWING LOCATION OF ALL OFFSET WELLS
- FORM C-102 FOR MESAVERDE FORMATION
- LIST OF ALL OFFSET OPERATORS AND THEIR ADDRESSES

LIST OF ADDRESSES FOR OFFSET OPERATORS

Atlantic A #9B Well

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

2 Basin Minerals, LTD.
7415 East Main
Farmington, NM 87402



| | | |
|----------------------------------------------------------------------------------|------------------|---------|
| AMOCO PRODUCTION COMPANY | | |
| ATLANTIC A LS 9B - NEW DRILL MESAVERDE - NINE SECTION PLAT 31N-10W-27NE/SW | | |
| ALC | | 10/5/98 |
| | Scale 1:24267.06 | |

APR 2002 1980, 120008 NMA 84241-1980
 District II
 PO Drawer XK, 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

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 72319 | | ³ Pool Name Blanco Mesaverde | |
| ⁴ Property Code | | ⁵ Property Name ATLANTIC A LS | | | ⁶ Well Number # 9B |
| ⁷ OGRID No. 000778 | | ⁸ Operator Name AMOCO PRODUCTION COMPANY | | | ⁹ Elevation 6161 |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| K | 27 | 31 N | 10 W | | 2330 | SOUTH | 1610 | WEST | SAN JUAN |

¹¹ Bottom Hole Location If Different From Surface

| ¹ 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 322.90 | | ¹³ Joint or Infill | | ¹⁴ Consolidation Code | | ¹⁵ Order No. | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST 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. <i>Gail M. Jefferson</i> Signature Gail M. Jefferson Printed Name Sr. Admin. Staff Asst. Title October 2, 1998 Date | |
| | 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. September 17, 1998 Date of Survey Signature and Seal of Professional Surveyor | |
| | RECEIVED NOV 30 1998 OIL CON. DIV. DIST. 3 | |
| | 7016 Certificate Number | |