

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

DIL CONSERVATION DIVISION

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POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

September 18, 1990

Amoco Production Company P.O. Box 800 Denver, CO 80201

Attention: James Hawkins

SEP21 1990 OIL CON. DIV.

Administrative Order DD-45

Dear Mr. Hawkins:

GARREY CARRUTHERS

GOVERNOR

Under the provisions of General Rule 111 (c), (d) and (e), Amoco Production Company made application to the New Mexico Oil Conservation Division on August 15, 1990, for authorization to directionally drill its proposed Fields "A" Well No. 22, 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 Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

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IT IS THEREFORE ORDERED THAT:

(1) The applicant, Amoco Production Company, is hereby authorized to directionally drill its Fields "A" Well No. 22, the surface location of which shall be 1840 feet from the North line and 2050 feet from the East line (Unit G) of Section 29, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico, by kicking off from the vertical at a depth of approximately 500 feet, and drilling in such a manner as to bottom in the Basin-Fruitland Coal Gas Pool at a standard coal gas well location within the NE/4 of said Section 29

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

<u>PROVIDED FURTHER THAT</u> 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) 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.
- (4) The E/2 of said Section 29 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.
- (5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

SEAL

cc: Oil Conservation Division - Aztec

US Bureau of Land Management - Farmington