



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 11, 1996

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

AMENDED Administrative Order DD-124(NSBHL)

Dear Mr. Hawkins:

By Division Administrative Order DD-124, dated November 13, 1995, authorization was given Amoco Production Company ("Amoco") to directionally drill its Ealum Gas Com Well No. 1-R from a standard surface gas well location, being 1630 feet from the North line and 1130 feet from the East line (Unit H) of Section 33, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico, to a **standard** bottom-hole gas well location in the Blanco-Mesaverde Pool within a drilling window or "producing area" in the NE/4 of said Section 33 that is no closer than 790 feet to the quarter section lines.

Reference is now made to your letter with attachments dated December 6, 1995, whereby an amendment should be issued in this order to accurately reflect the actual bottom-hole location of this wellbore as being **unorthodox**.

The Division Director Finds That:

- (1) This application was originally approved under the provisions of General Rule 111.D and Rule 2(b) of the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool*",;
- (2) This amendment has been duly filed under the provisions of Division General Rules 111.D and 111.E and said Special Rule 2(d); and,
- (3) Amoco owns and operates wells in all affected offsetting 320-acre tracts to the captioned well, no notification was therefore required.

AMENDED Administrative Order DD-124(NSBHL)
Amoco Production Company
March 11, 1996
Page No. 2

IT IS THEREFORE ORDERED THAT:

(1) Division Administrative Order DD-124 is hereby amended to properly reflect the actual **unorthodox** bottomhole location for said Ealum Gas Com Well No. 1-R within the Blanco-Mesaverde Pool to be, more or less, 1890 feet from the North line and 594 feet from the East line (Unit H) of Section 33, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.

(2) All other provisions of said Order DD-124, dated November 13, 1995, not in conflict with this change shall remain in full force and effect until further notice.

(3) 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
File: DD-124

DD-124.AMO

Rec. 12-11-95
Susp. NA
Released 3-8-96

March 8, 1996

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

Attention: J. W. Hawkins

AMENDED Administrative Order DD-124(NSBHL)

Dear Mr. Hawkins:

By Division Administrative Order DD-124, dated November 13, 1995, authorization was given Amoco Production Company ("Amoco") to directionally drill its Ealum Gas Com Well No. 1-R from a standard surface gas well location, being 1630 feet from the North line and 1130 feet from the East line (Unit H) of Section 33, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico, to a **standard** bottom-hole gas well location in the Blanco-Mesaverde Pool within a drilling window or "producing area" in the NE/4 of said Section 33 that is no closer than 790 feet to the quarter section lines.

Reference is now made to your letter with attachments dated December 6, 1995, whereby an amendment should be issued in this order to accurately reflect the actual bottom-hole location of this wellbore as being **unorthodox**.

The Division Director Finds That:

- 2(b)
- (1) This application was originally approved under the provisions of General Rule 111.D and Rule ~~2(a)~~ of the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Blanco-Mesaverde Pool*";;
 - (2) This amendment has been duly filed under the provisions of Division General Rules 111.D and 111.E and said Special Rule 2(d); and,
 - (3) Amoco owns and operates wells in all affected offsetting 320-acre tracts to the captioned well, no notification was therefore required.

AMENDED Administrative Order DD-124(NSBHL)

Amoco Production Company

March 8, 1996

Page No. 2

IT IS THEREFORE ORDERED THAT:

(1) Division Administrative Order DD-124 is hereby amended to properly reflect the actual **unorthodox** bottomhole location for said Ealum Gas Com Well No. 1-R within the Blanco-Mesaverde Pool to be, more or less, 1890 feet from the North line and 594 feet from the East line (Unit H) of Section 33, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.

(2) All other provisions of said Order DD-124, dated November 13, 1995, not in conflict with this change shall remain in full force and effect until further notice.

(3) 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

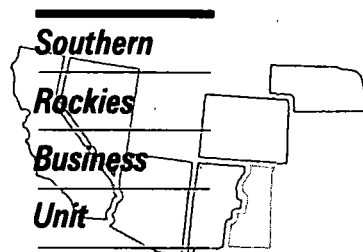
WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: DD-124



OIL CONSERVATION DIVISION
RECEIVED

'95 DE 11 AM 8 52



December 6, 1995

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

Application for Unorthodox Location
Ealum Gas Com #1R Well
N/2 Section 33-T32N-R10W
Blanco Mesaverde Pool
San Juan County, New Mexico

Amoco Production Company hereby requests administrative approval for an unorthodox location for the Ealum Gas Com #1R well. This well was recently drilled as a high angle / horizontal well in the Blanco Mesaverde Pool as approved under NMOCD Administrative Order DD-124. The Ealum Gas Com #1 well was drilled from a surface location of 1630' FNL and 1130' FEL of Section 33, T32N-R10W to a bottomhole location of 1890' FNL and 594' FEL. The Project Area for this well is the Blanco Mesaverde gas proration unit consisting of N/2 Section 33, T32N-R10W 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. Since the bottom portion of the wellbore is closer than 790' to the exterior boundary of the spacing unit, approval for the unorthodox location is required.

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 form C-102 showing surface and bottomhole locations of the well;
- 3) a direction survey for the wellbore.

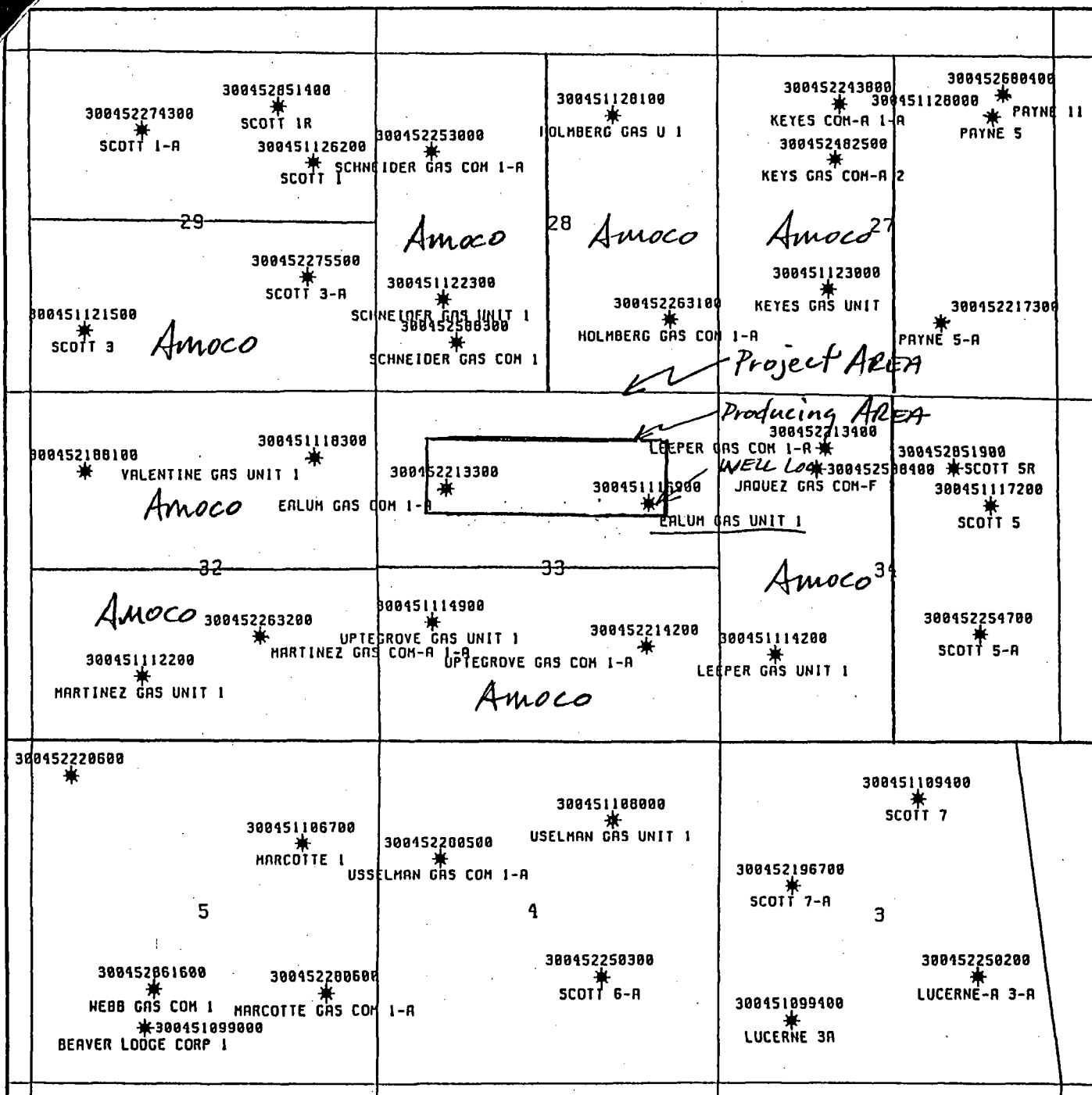
Amoco is the only affected offset operator, therefore, no additional notice will be required.

Sincerely,


J. W. Hawkins

cc: Jack St. John
Gail Jefferson

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



1:24000
STATUTE MILES 0 .2 STATUTE MILES
KILOMETERS 0 .5 KILOMETERS

AMOCO E&P SECTOR		
SOUTHERN ROCKIES BUSINESS UNIT		
SAN JUAN BASIN		
EALUM GAS COM #1 R		
TWP 31N & 32N, R10W		
1:24000	K. LANBERT	16-OCT-95

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
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

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

APN Number <i>30-045-29300</i>		Pool Code 72319	Pool Name Blanco Mesaverde
Property Code <i>436</i>	Property Name EALUM GAS UNIT		Well Number # 1R
OCRID No. 000778	Operator Name AMOCO PRODUCTION COMPANY		Elevation 5987

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
H	33	32 N	10 W		1630	NORTH	1130	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
H	33	32N	10W		1807	North	790	East	San Juan

Dedicated Acres <i>N/320</i>	Joint or Infill	Consolidation Code	Order No.
---------------------------------	-----------------	--------------------	-----------

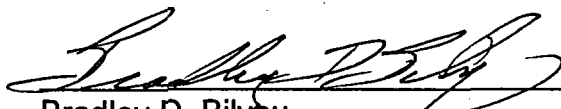
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p><i>Actual BHL - 594' FEL 1890' FNL</i></p> <p><i>12/01/95</i></p> <p>33</p>	<p><i>1630'</i> <i>1807'</i> <i>1890'</i> <i>1130'</i> <i>790'</i> <i>594'</i></p> <p><i>BLM RECORD</i></p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Gail M. Jefferson</i></p> <p>Signature</p> <p>Gail M. Jefferson</p> <p>Printed Name</p> <p>Sr. Admin. Staff Asst.</p> <p>Title</p> <p>11/3/95</p> <p>Date</p>
		<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>October 23, 1995</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>Gail M. Jefferson</i></p> <p>7016</p> <p>Certificate Number</p>

RECEIVED
NOV - 7 1995
OIL CON. DIV.
DIST. 3

7016
REGISTERED PROFESSIONAL LAND SURVEYOR
NEW MEXICO

The attached plat and deviation survey of the Ealum Gas Unit #1R, Section 33 Township 32N and Range 10W, San Juan County, New Mexico, are correct to the best of my knowledge and belief.


Bradley D. Bilyeu
Amoco Exploration and Production Sector

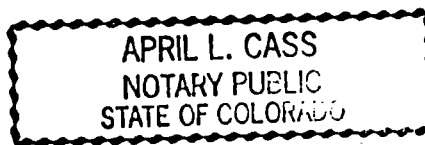
STATE OF COLORADO)
CITY AND : ss.
COUNTY OF DENVER)

On this the 1st day of December, 19 95, the undersigned, personally appeared, Bradley D. Bilyeu, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained. In witness whereof, I hereunto set my hand and official seal.


Notary Public

My Commission expires:

August 17, 1997



AMOCO PRODUCTION COMPANY
SEC.33-T32N-R10W

EALUM GU #1R
SLOT #1
SAN JUAN COUNTY
NEW MEXICO.

S U R V E Y L I S T I N G

by
Baker Hughes Inteq

Your ref : GEOSERVICE MWD
Our ref : svy3517
License :

Date printed : 28-Nov-95
Date created : 22-Nov-95
Last revised : 28-Nov-95

Field is centred on n36 30 0.000,w107 40 0
Structure is centred on n36 56 31.214,w107 52 30.015

Slot location is n36 56 15.097,w107 52 43.933
Slot Grid coordinates are N 2160528.987, E 486691.628
Slot local coordinates are 1630.00 S 1130.00 W
Reference North is True North

AMOCO PRODUCTION COMPANY
SEC.33-T32N-R10W,EALUM GU #1R
SAN JUAN COUNTY,NEW MEXICO.

SURVEY LISTING Page 1
Your ref : GEOSERVICE MWD
Last revised : 28-Nov-95

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert. Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100Ft	Vert Sect
0.00	0.00	0.00	0.00	0.00 N	0.00 E	0.00	0.00
264.00	0.00	0.00	264.00	0.00 N	0.00 E	0.00	0.00
749.00	1.25	193.70	748.96	5.14 S	1.25 W	0.26	1.27
1246.00	0.75	211.70	1245.88	13.17 S	4.25 W	0.12	2.34
1619.00	1.00	236.70	1618.84	17.04 S	8.25 W	0.12	0.58
1968.00	0.75	226.70	1967.80	20.28 S	12.46 W	0.08	-1.64
2361.00	1.25	303.30	2360.76	19.69 S	17.91 W	0.33	-6.75
2860.00	1.50	46.70	2859.67	12.22 S	17.71 W	0.43	-10.03
3315.00	1.19	58.00	3314.54	5.63 S	9.37 W	0.09	-5.69
3750.00	1.56	79.70	3749.42	2.18 S	0.29 E	0.14	1.26
4105.00	2.69	48.30	4104.18	4.23 N	11.26 E	0.44	8.02
4133.00	2.44	44.30	4132.15	5.09 N	12.17 E	1.10	8.43
4165.00	3.50	67.30	4164.11	5.96 N	13.55 E	4.92	9.25
4196.00	6.06	81.80	4195.00	6.55 N	16.04 E	9.07	11.18
4227.00	8.94	90.10	4225.74	6.78 N	20.07 E	9.90	14.64
4258.00	10.00	93.20	4256.31	6.63 N	25.17 E	3.79	19.23
4290.00	9.88	92.90	4287.83	6.34 N	30.68 E	0.41	24.26
4320.00	9.75	92.80	4317.39	6.08 N	35.79 E	0.44	28.90
4351.00	9.94	102.90	4347.94	5.36 N	41.02 E	5.60	33.87
4383.00	11.81	114.40	4379.37	3.38 N	46.70 E	8.92	39.81
4414.00	14.63	121.90	4409.54	0.01 N	52.91 E	10.63	46.89
4446.00	17.56	124.90	4440.29	4.89 S	60.30 E	9.52	55.71
4477.00	18.75	125.30	4469.74	10.45 S	68.20 E	3.86	65.28
4508.00	20.06	124.20	4498.98	16.32 S	76.67 E	4.39	75.50
4537.00	20.94	123.80	4526.14	21.99 S	85.09 E	3.07	85.60
4569.00	21.06	122.10	4556.02	28.23 S	94.71 E	1.94	97.01
4601.00	22.00	119.70	4585.79	34.26 S	104.79 E	4.02	108.73
4632.00	22.38	119.70	4614.49	40.06 S	114.96 E	1.22	120.43
4664.00	22.38	119.10	4644.08	46.04 S	125.57 E	0.71	132.61
4695.00	22.44	119.80	4672.74	51.85 S	135.86 E	0.88	144.42
4726.00	24.06	118.40	4701.22	57.79 S	146.56 E	5.52	156.66
4756.00	25.38	118.80	4728.47	63.80 S	157.57 E	4.44	169.20
4789.00	26.44	118.90	4758.15	70.76 S	170.20 E	3.21	183.61
4820.00	28.25	119.40	4785.69	77.70 S	182.64 E	5.88	197.85
4852.00	29.63	119.80	4813.69	85.34 S	196.10 E	4.35	213.32
4883.00	31.25	120.20	4840.42	93.20 S	209.70 E	5.27	229.01
4914.00	33.06	119.60	4866.66	101.42 S	224.00 E	5.93	245.50
4945.00	34.69	119.80	4892.40	109.98 S	239.01 E	5.27	262.76
4977.00	36.69	118.60	4918.39	119.08 S	255.31 E	6.62	281.42
5007.00	38.25	117.80	4942.20	127.71 S	271.39 E	5.45	299.67
5038.00	39.81	117.20	4966.28	136.72 S	288.71 E	5.18	319.19
5069.00	41.63	116.40	4989.77	145.83 S	306.76 E	6.11	339.41
5101.00	43.13	116.60	5013.41	155.46 S	326.06 E	4.71	360.98
5132.00	44.88	116.60	5035.71	165.10 S	345.32 E	5.64	382.51
5163.00	44.56	117.10	5057.74	174.95 S	364.78 E	1.53	404.32
5194.00	44.38	116.20	5079.86	184.69 S	384.19 E	2.12	426.04
5226.00	45.31	115.90	5102.54	194.60 S	404.46 E	2.98	448.59
5258.00	46.06	116.40	5124.90	204.70 S	425.01 E	2.60	471.48
5288.00	46.44	116.60	5145.65	214.36 S	444.41 E	1.36	493.15
5350.00	46.06	116.20	5188.52	234.28 S	484.52 E	0.77	537.92

All data is in feet unless otherwise stated
Coordinates from SLOT #1 and TVD from RKB (5989.00 Ft above mean sea level).
Vertical section is from wellhead on azimuth 117.60 degrees.
Declination is 11.72 degrees, Convergence is -0.02 degrees.
Calculation uses the minimum curvature method.
Presented by Baker Hughes Inteq

AMOCO PRODUCTION COMPANY
SEC.33-T32N-R10W,EALUM GU #1R
SAN JUAN COUNTY,NEW MEXICO.

SURVEY LISTING Page 2
Your ref : GEOSERVICE MWD
Last revised : 28-Nov-95

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert. Depth	R E C T A N G U L A R C O O R D I N A T E S			Dogleg Deg/100Ft	Vert Sect
5385.00	45.69	116.40	5212.89	245.41 S	507.04 E	1.13	563.04	
5430.00	45.69	116.40	5244.32	259.73 S	535.89 E	0.00	595.24 Projected Survey	

All data is in feet unless otherwise stated
Coordinates from SLOT #1 and TVD from RKB (5989.00 Ft above mean sea level).
Vertical section is from wellhead on azimuth 117.60 degrees.
Declination is 11.72 degrees, Convergence is -0.02 degrees.
Calculation uses the minimum curvature method.
Presented by Baker Hughes Inteq



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

November 13, 1995

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

Attention: J. W. Hawkins

Administrative Order DD-124

Dear Mr. Hawkins:

Reference is made to Amoco Production Company's application dated October 27, 1995 for authorization to directional drill a high-angle well to a pre-determined bottom-hole location in order to further develop the Blanco-Mesaverde Pool underlying an existing 320-acre standard gas spacing and proration unit ("GPU") comprising the N/2 of Section 33, Township 32 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) 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;
- (3) Initial development of Blanco-Mesaverde gas pool production within the subject 320-acre GPU occurred with the Ealum Gas Com Well No. 1 (API No. 30-045-11169) being drilled in 1953 at a standard gas well location 1650 feet from the North line and 1140 feet from the East line (Unit H) of said Section 33. The Ealum Gas Com Well No. 1-A (API No. 30-045-22133) was drilled in 1976 as an "infill well" at a standard gas well location 1450 feet from the North line and 1030 feet from the West line (Unit E) of said Section 33. It is our understanding that the Ealum Gas Com Well No. 1 was plugged and abandoned in 1990;

- (4) The applicant/operator proposes to drill its Ealum Gas Com Well No. 1-R (API No. 30-045-29300) as a replacement well for the Ealum Gas Com Well No. 1 from a standard gas well location 1630 feet from the North line and 1130 feet from the East line (Unit G) of said Section 33, kick-off of vertical at a depth of approximately 3735 feet in a southeasterly direction, build to an angle of approximately 45 degrees and continue to drill in such a manner as to bottom back into the Blanco-Mesaverde Pool, with total horizontal displacement of said well to be approximately 400 feet;
- (5) A high angle wellbore 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 GPU;
- (6) The applicable drilling window or "producing area" for said wellbore should include that area within the NE/4 equivalent of said Section 33 that is no closer than 790 feet to the quarter section lines; and,
- (7) 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 directionally drill its proposed Ealum Gas Com Well No. 1-R (API No. 30-045-29300) as a replacement well for the above-described Ealum Gas Com Well No. 1 from a standard gas well location 1630 feet from the North line and 1130 feet from the East line (Unit G) of said Section 33, by kicking-off from vertical at a depth of approximately 3735 feet in a southeasterly direction, build to an angle of approximately 45 degrees and continue drilling in such a manner as to bottom back into the Blanco-Mesaverde Pool (total horizontal displacement of said well to be approximately 400 feet) within a drilling window or "producing area" the NE/4 equivalent of said Section 28 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 Ealum Gas Com Well No. 1-A (API No. 30-045-22133), located at a standard infill gas well location 1450 feet from the North line and 1030 feet from the West line (Unit E) of said Section 33, and the proposed Ealum Gas Com Well No. 1-R, as described above, shall be attributed to the existing 320-acre standard gas spacing and proration unit ("GPU") comprising the N/2 of Section 33.

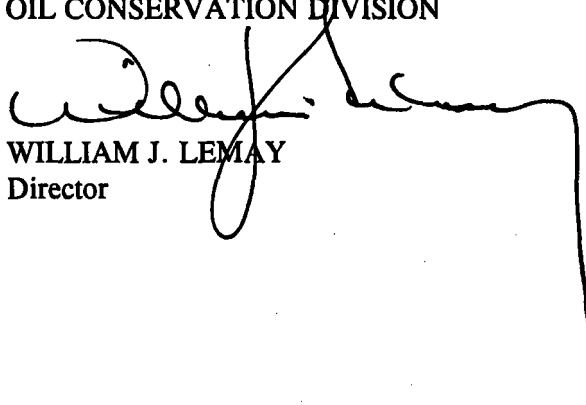
(4) The operator shall comply with all requirements and conditions set forth in Division General Rule 111.E(2) and any applicable requirements in 111.D and F and Order No. R-8170, as amended.

(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
File: Case 11,274

DD- ~~AMC~~ AMOC.5

Rec. 10/31/95

Susp. NA

Released 11/13/95

November 13, 1995

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

Attention: J. W. Hawkins

Administrative Order DD-124

Dear Mr. Hawkins:

Reference is made to Amoco Production Company's application dated October 27, 1995 for authorization to directional drill a high-angle well to a pre-determined bottom-hole location in order to further develop the Blanco-Mesaverde Pool underlying an existing 320-acre standard gas spacing and proration unit ("GPU") comprising the N/2 of Section 33, Township 32 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) 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;
- (3) Initial development of Blanco-Mesaverde gas pool production within the subject 320-acre GPU occurred with the Ealum Gas Com Well No. 1 (API No. 30-045-11169) being drilled in 1953 at a standard gas well location 1650 feet from the

North line and 1140 feet from the East line (Unit H) of said Section 33. The Ealum Gas Com Well No. 1-A (API No. 30-045-22133) was drilled in 1976 as an "infill well" at a standard gas well location 1450 feet from the North line and 1030 feet from the West line (Unit E) of said Section 33. It is our understanding that the Ealum Gas Com Well No. 1 was plugged and abandoned in 1990;

- (4) The applicant/operator proposes to drill its Ealum Gas Com Well No. 1-R (API No. 30-045-29300) as a replacement well for the Ealum Gas Com Well No. 1 from a standard gas well location 1630 feet from the North line and 1130 feet from the East line (Unit G) of said Section 33, kick-off of vertical at a depth of approximately 3735 feet in a southeasterly direction, build to an angle of approximately 45 degrees and continue to drill in such a manner as to bottom back into the Blanco-Mesaverde Pool, with total horizontal displacement of said well to be approximately 400 feet;
- (5) A high angle wellbore 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 GPU;
- (6) The applicable drilling window or "producing area" for said wellbore should include that area within the NE/4 equivalent of said Section 33 that is no closer than 790 feet to the quarter section lines; and,
- (7) 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 directionally drill its proposed Ealum Gas Com Well No. 1-R (API No. 30-045-29300) as a replacement well for the above-described Ealum Gas Com Well No. 1 from a standard gas well location 1630 feet from the North line and 1130 feet from the East line (Unit G) of said Section 33, by kicking-off from vertical at a depth of approximately 3735 feet in a southeasterly direction, build to an angle of approximately 45 degrees and continue drilling in such a manner as to bottom back into the Blanco-Mesaverde Pool (total horizontal displacement of said well to be approximately 400 feet) within a drilling window or "producing area" the NE/4 equivalent of said Section 28 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 Ealum Gas Com Well No. 1-A (API No. 30-045-22133), located at a standard infill gas well location 1450 feet from the North line and 1030 feet from the West line (Unit E) of said Section 33, and the proposed Ealum Gas Com Well No. 1-R, as described above, shall be attributed to the existing 320-acre standard gas spacing and proration unit ("GPU") comprising the N/2 of Section 33.

(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

*Administrative Order DD-*****

Amoco Production Company

November 13, 1995

Page No. 4

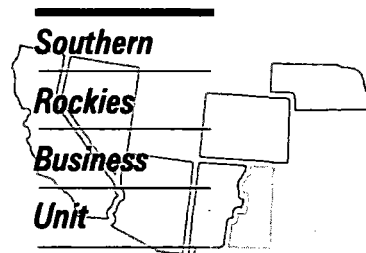
cc: Oil Conservation Division - Aztec

File: Case 11,274



October 27, 1995

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



Rec. 10/31/95

**Application to Drill a Directional Well
Rule 111 as Amended by Order No. R-10388
Ealum Gas Com #1R Well
1630' FNL 1130' FEL, Section 33-T32N-R10W
Blanco Mesaverde Pool
San Juan County, New Mexico**

Amoco Production Company hereby requests administrative approval to directionally drill a replacement well for the Ealum Gas Unit #1 well as a high angle / horizontal well in the Blanco Mesaverde Pool. The Ealum Gas Unit #1 well was previously completed as a producing well in the Blanco Mesaverde Pool but has been plugged and abandoned. Amoco believes that directionally drilling the replacement well will provide a better 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 surface location for the replacement well will be on the same well pad as the old wellbore. We are requesting the Project Area for this well to be the Blanco Mesaverde gas proration unit consisting of N/2 Section 33, T32N-R10W 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.

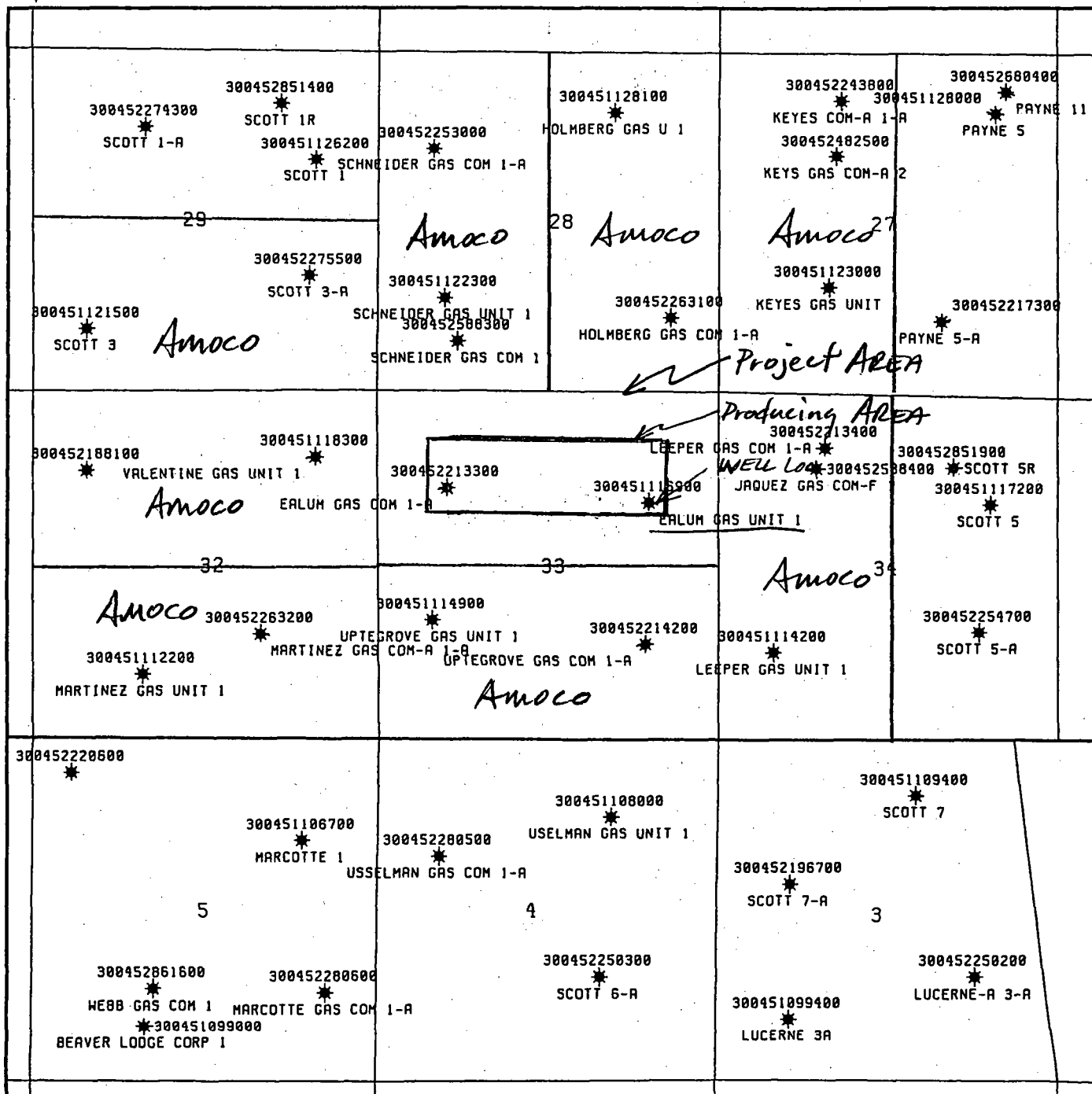
Amoco is the only affected offset operator, therefore, no additional notice will be required.

Sincerely,

J. W. Hawkins
J. W. Hawkins


cc: Jack St. John
Gail Jefferson

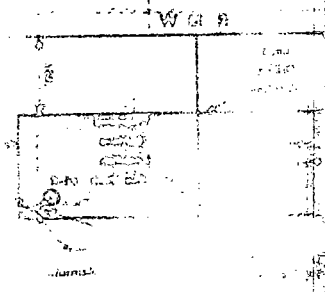
Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Road
Aztec, NM 87410



1:24000
STATUTE MILES 0 1 2 STATUTE MILES
KILOMETERS 0 1 2 KILOMETERS

AMOCO E&P SECTOR		
SOUTHERN ROCKIES BUSINESS UNIT		
SAN JUAN BASIN		
EALUM GAS COM #1 R		
TWP 31N & 32N, R10W		
SCALE 1:24000	DRAWN K. LAMBERT	DATE 16-OCT-95


 EALUM GAS COMPANY
 1420 WEST 10TH AVENUE
 DENVER, COLORADO 80202



EALUM GAS COM #1-R
 NE 33-32N-10W
 KB 6002
 Cedar Hill Area

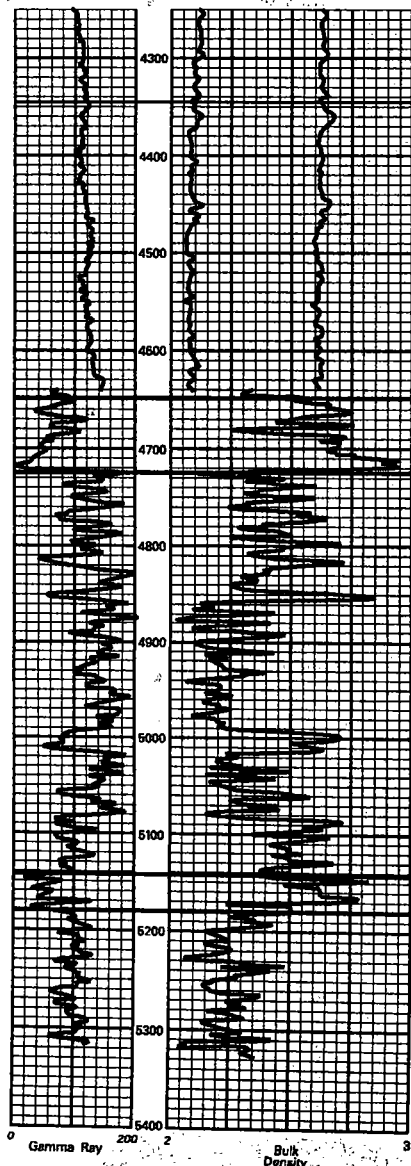
LEWIS SHALE

CLIFF HOUSE "E"

CLIFF HOUSE "A"

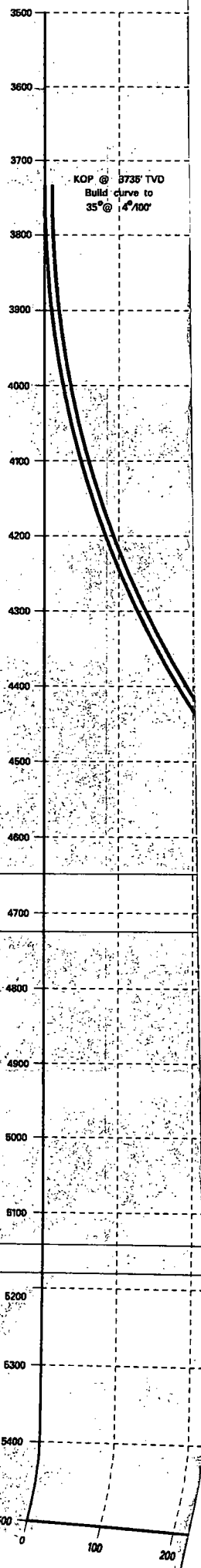
MENEPEE

POINT LOOKOUT



Vertical Depth

↓



1945

1946

1947

1948

1949

1950

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OGRID Identifier : 778 AMOCO PRODUCTION CO

Prop Identifier : 436 EALUM GAS COM

API Well Identifier : 30 45 29300

Well No : 1R

Surface Locn - UL : H Sec : 33 Twp : 32N Range : 10W Lot Idn :

Multiple comp (S/M/C): N TVD Depth (Feet) : MVD Depth (Feet):

Spud Date : P/A Date :

Casing/Linear Record:

S Size	Grade	Weight	Depth(ft)	Depth(ft)	Hole Size	Cement	TOC
(inches)		(lb/ft)	Top-Liner	Bot-Liner	(inches)	(Sacks)	(feet) Code

E0004: No matching record found. Enter data to create.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM

PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

CMD* :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/13/95 09:15:43
OGOMES -EMDX
PAGE NO: 1

Sec : 33 Twp : 32N Rng : 10W Section Type : NORMAL

D 40.00 Fee owned	C 40.00 Fee owned A	B 40.00 Fee owned	A 40.00 Fee owned
E 40.00 Fee owned A	F 40.00 Fee owned A	G 40.00 Federal owned A	H 40.00 Fee owned A

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/13/95 09:15:51
OGOMES -EMDX
PAGE NO: 2

Sec : 33 Twp : 32N Rng : 10W Section Type : NORMAL

L 40.00 Fee owned A A	K 40.00 Fee owned	J 40.00 Fee owned	I 40.00 Fee owned A
M 40.00 Fee owned	N 40.00 Fee owned	O 40.00 Fee owned	P 40.00 Fee owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12