



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

December 7, 1995

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

Attention: Pamela W. Staley

Administrative Order NSL-3605

Dear Ms. Staley:

Reference is made to your application dated November 13, 1995 for a non-standard Blanco-Mesaverde infill gas well location on an existing 320-acre standard gas spacing and proration unit ("GPU") for said Blanco-Mesaverde Pool comprising the N/2 of Section 27, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico. Said GPU presently has dedicated thereon the Armenta Gas Com "C" Unit Well No. 1-E (API No. 30-045-23856), located at a previously approved unorthodox gas well location (Division Administrative Order NSL-1114-A, dated April 13, 1995) 435 feet from the North line and 1590 feet from the West line (Unit C) of said Section 27.

It is our understanding that the subject well in this application, the Armenta Gas Com "F" Well No. 1 (API No. 30-045-25671), was drilled in 1983 and completed Armenta-Gallup Oil Pool at a standard oil well location 2120 feet from the North line and 835 feet from the East line (Unit H) of said Section 27.

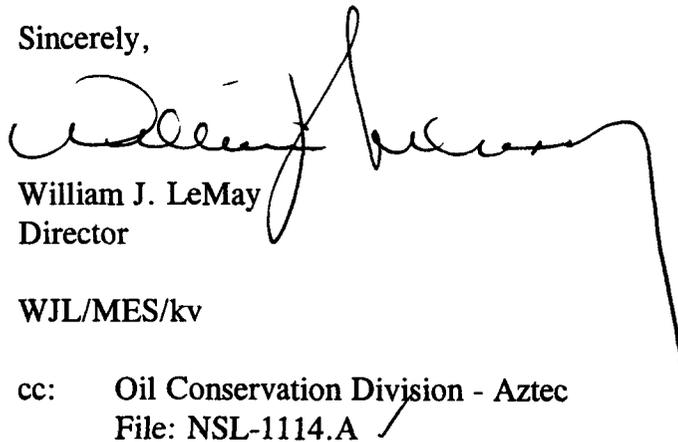
It is further understood that the Gallup interval in the Armenta Gas Com "F" Well No. 1 is to be properly plugged back at this time and that said well will be recompleted up-hole to the Blanco-Mesaverde Pool, which pursuant to **Rule 2(b)2** of the "*General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool*", as promulgated by Division Order No. R-8170, as amended, the location is considered to be unorthodox.

Administrative Order NSL-3605
Amoco Production Company
December 7, 1995
Page 2

By the authority granted me under the provisions of Rule 2(d) of said special pool rules the unorthodox infill gas well location of the Armenta Gas Com "F" Well No. 1 in the Blanco-Mesaverde Pool is hereby approved.

Further, both the Armenta Gas Com "F" Well No. 1 and the Armenta Gas Com "C" Well No. 1-E are to be dedicated to the subject GPU, further said wells and GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest New Mexico.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
File: NSL-1114.A ✓