



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

March 30, 1993

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

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

Attention: J. W. Hawkins

Administrative Order NSL-1509-A

Dear Mr. Hawkins:

Reference is made to your application dated March 1993, for a non-standard Blanco Mesaverde gas well location for your existing Mudge Com "B" Well No. 2-E which was drilled in 1982 and completed in the Basin Dakota Pool at a previously approved unorthodox gas well location 1350 feet from the South line and 685 feet from the West line (Unit L) of Section 14, Township 31 North, Range 11 West, NMPM, San Juan County, New Mexico (Division Administrative Order NSL-1509, dated April 21, 1982).

It is my understanding that the Basin Dakota zone is to be downhole commingled with the Blanco Mesaverde Pool, and pursuant to the Special Rules and Regulations for the Blanco Mesaverde Pool, as promulgated by Division Order No. R-8170, as amended, said location is considered to be unorthodox.

It is also our understanding that the proposed unorthodox Blanco Mesaverde gas well is to be a replacement infill gas well in the SW/4 of said Section 31 for the recently plugged and abandoned Neil "LS" Well No. 5 located in Unit N. The existing 320-acre standard gas spacing and proration unit (GPU) for the Blanco Mesaverde Pool, comprising the W/2 of said Section 31 is presently dedicated to the Amoco Neil "LS" Well No. 5-A located at a standard gas well location in Unit C of said Section 31.

By the authority granted me under the provisions of Rule 2(d) of said Order R-8170, as amended, the above-described unorthodox gas well location is hereby approved.

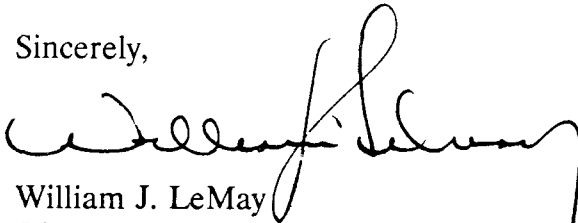
Further, you are hereby authorized to simultaneously dedicated Blanco Mesaverde gas production from the existing Neil "LS" Well No. 5-A with the Mudge Com "B" Well No. 2-E.

Administrative Order NSL-1509-A
Amoco Production Company
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Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both of said wells in any proportion.

The previous Division Administrative Order NSL-1509 shall remain in full force and effect until further notice and Amoco shall comply with all requirements pertaining to the downhole commingling of both the Blanco Mesaverde and Basin Dakota intervals.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: NSL-1509



STATE OF NEW MEXICO
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April 20, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
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Denver, CO 80201

Attention: J. W. Hawkins

Corrected Administrative Order NSL-1509-A

Dear Mr. Hawkins:

It has been called to my attention that Division Administrative Order NSL-1509-A does not correctly state the intended order of the Division. Said consent refers to the "downhole commingling" of Blanco-Mesaverde and Basin-Dakota gas production in Amoco's Mudge Com "B" Well No. 2-E; however, this is not the case. This well is to be "dually completed" with parallel strings of tubing.

All references to "downhole commingling" is hereby deleted from said Order NSL-1509-A. Further, the last paragraph on page 2 of said order shall be amended to read:

"The previous Division Order NSL-1509 shall remain in full force and effect until further notice and Amoco shall comply with **all** requirements pertaining to dually completing the subject well pursuant to Division General Rule 112-A."

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: NSL-1509
NSL-1509-A