



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

August 14, 2000

Lori Wrotenbery

Director

Oil Conservation Division

NSL-2001-B

Amoco Production Company
BP Amoco/Western Gas Business Unit
P.O. Box 3092
Houston, Texas 77253-3092
Attention: Mary Corley

Rec: 3-31-00
Susp: 4-20-00
Released: 8-14-00

Administrative Order NSL-2001-B (NSP)

Dear Ms. Corley:

Reference is made to the following: (i) your initial application dated March 29, 2000; (ii) the New Mexico Oil Conservation Division's response from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe by letter dated April 27, 2000 and e-mail messages dated April 19 and 27, 2000 requesting additional data in this matter; (iii) your e-mail responses dated April 27, 2000 and August 14, 2000 with the required information to complete this application; and (iv) the Division's records in Santa Fe, including the files on Division Administrative Orders NSL-2001 and NSL-2001-A and Division Case No. 2096: all concerning Amoco Production Company's ("Amoco") request to dedicate the previously authorized non-standard 273.87-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising all of Irregular Section 8, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico (approved by Division Administrative Order NSL-2001-A) to Amoco's existing Gallegos Canyon Unit Well No. 213 (API No. 30-045-11618).

By Administrative Order NSL-2001-A, dated January 15, 1997, the Division granted Amoco's request to: (i) establish the above-described non-standard 273.87-acre gas spacing and proration unit within the Basin-Fruitland Coal (Gas) Pool; and (ii) dedicate this unit to the existing Gallegos Canyon Unit Well No. 213-E (API No. 30-045-26305) at an unorthodox gas well location 930 feet from the South line and 480 feet from the West line (Unit M) of irregular Section 8.

It is our understanding that Amoco never recompleted this well and has since abandoned all together its plans to recomplete the Gallegos Canyon Unit Well No. 213-E.

According to the Division's well records the Gallegos Canyon Unit Well No. 213 was initially drilled in 1966 by Pan American Petroleum Corporation and completed in the Basin-Dakota Pool within a non-standard 354.12-acre gas spacing and proration unit (approved by Division Order No. R-1814, issued in Case No. 2096 and dated November 4, 1960) comprising Lot 1 and the S/2 SE/4 of Section 7 and Lots 2, 3, and 4 and the S/2 S/2 of Section 8, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico, at a location considered to be standard at the time (see Rule 2 of the "Special Rules and Regulations for the Basin-Dakota Gas Pool", as promulgated by Division Order No. R-1670-C, issued in Case No. 2095 and dated

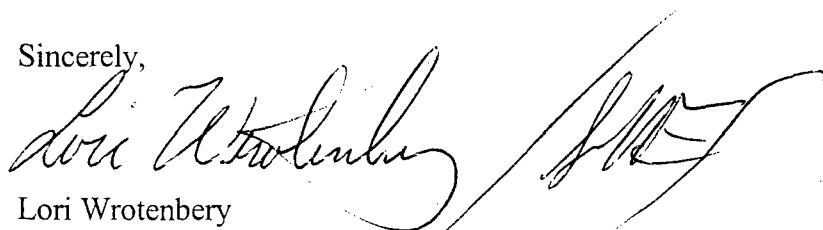
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November 4, 1960).

By the authority granted me under the provisions of Rules 6 and 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*", as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location for the Gallegos Canyon Unit Well No. 213 and the 273.87-acre non-standard gas spacing and proration unit in the Basin-Fruitland Coal (Gas) Pool are hereby approved.

Further, Division Administrative Orders NSL-2001 and NSL-2001-A shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery", followed by a large, stylized flourish or mark.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U.S. Bureau of Land Management - Farmington
File: NSL-2001
NSL-2001-A