



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

December 21, 1998

Amoco Production Company  
P. O. Box 800  
Denver, Colorado 80201-0800  
Attention: Pamela Staley

*Administrative Order NSL-4181*

Dear Ms. Staley:

Reference is made to your application dated November 18, 1998, which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on November 30, 1998, for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987, for a non-standard gas well location in an existing standard 322.90-acre stand-up gas spacing and proration unit for the Blanco-Mesaverde Pool comprising Lots 3 through 6, and Lots 11 through 14 (W/2 equivalent) of Section 27, Township 31 North, Range 10 West, NMPM, San Juan County, New Mexico. This unit is currently dedicated to Amoco Production Company's: (i) Atlantic "A-LS" Well No. 9 (API No. 30-045-10262), the initial well on this unit, located at a standard gas well location 1090 feet from the North and 1650 feet from the West line (Lot 14/Unit Letter N) of Section 27; and, (ii) Atlantic "A-LS" Well No. 9-A (API No. 30-045-22492), located at a standard infill gas well location 1185 feet from the North line and 1575 feet from the West line (Lot 3/Unit Letter C) of Section 27.

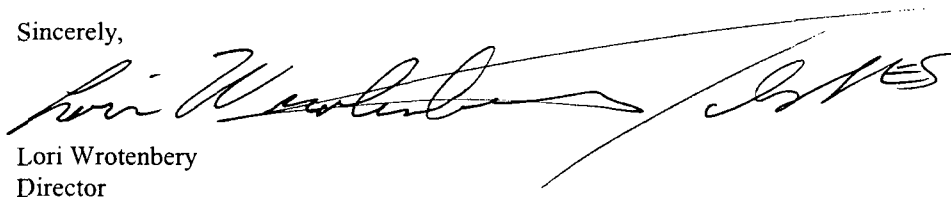
The application has been duly filed under the provisions of Division Rules 104.F and 605.B of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox gas well location in Section 27 is hereby approved:

**Atlantic "A-LS" Well No. 9-B  
2330' FSL & 1610' FWL (Lot 11/Unit Letter K)**

Further, Amoco Production Company is authorized to dedicate Blanco-Mesaverde gas production on the subject unit from the proposed Atlantic "A-LS" Well No. 9-B with the two existing Atlantic "A-LS" Wells No. 9 and 9-A. These three wells and the existing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Lori Wrotenberg  
Director

LW/MWA/kv

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