



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

August 1, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Amoco Production Company
501 West Lake Park Boulevard
Houston, Texas 77079-3092
Attention: Mary Corley/corleym@bp.com

Administrative Order NSL-4619

Dear Ms. Corley:

Reference is made to the following: (i) your application dated July 11, 2001 (*application reference No. pKRV0-119739466*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Amoco Production Company's ("Amoco") request for an exception to the well location requirements provided within the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, of an unorthodox infill gas well for the existing Bolack Well No. 2 (**API No. 30-045-23257**), located 2430 feet from the North line and 1650 feet from the East line (Unit G) of Section 19, Township 28 North, Range 8 West, NMPM, Blanco-Mesaverde Pool (**72319**), San Juan County, New Mexico.

According to the Division's records the subject well was drilled in 1978 by Tenneco Oil Company and completed as an initial well in the Basin-Dakota Pool at a location considered to be orthodox at that time for a standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 19. It is our understanding that Amoco now intends to perforate the Blanco-Mesaverde gas interval and recompleate the well such that production from both intervals will be commingled downhole upon issuance of this order.

This Blanco-Mesaverde gas production is to be included within an existing standard 312.52-acre lay-down GPU comprising lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 19, which was the subject of Division Administrative Order NWU-98, dated May 25, 1955, that is currently dedicated to Amoco's: (i) Florance "C" LS Well No. 1 (**API No. 30-045-07342**), located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 19; and (ii) Florance "C" Well No. 8-M (**API No. 30-045-24184**), located at a standard infill gas well location 1545 feet from the North line and 970 feet from the West line (Lot 2/Unit E) of Section 19.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Blanco-Mesaverde infill gas well location for the Bolack Well No. 2 is hereby

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approved. Further, all three of the aforementioned Bolack Well No. 2, Florance "C" LS Well No. 1, and Florance "C" Well No. 8-M and existing GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Lori Wrotenbery". The signature is written over a horizontal line and extends across the width of the page.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NWU-98 /