

**CASE 12664 : Application of Amoco Production Company for exceptions to the well density and location provisions of the special rules governing both the Basin-Dakota and Blanco-Mesaverde Pools, San Juan County, New Mexico.**

The applicant in this matter proposes to drill its E. E. Elliott "B" Well No. 8-M 770 feet from the South line and 2420 feet from the East line (Unit O) of Section 27, Township 30 North, Range 9 West, as an infill gas well in both the Blanco-Mesaverde and Basin-Dakota Pools within an existing standard 320-acre lay-down gas spacing and proration unit comprising the S/2 of Section 27 (which is located approximately two miles north of Turley, New Mexico. Applicant seeks exceptions to: (i) Rule I.B (2) (b) of the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, in order to drill and complete this well within the same quarter-quarter section as its E. E. Elliott "B" Well No. 1-A (**API No. 30-045-22194**), located at a standard infill gas well location 875 feet from the South line and 1450 feet from the East line of Section 27; (ii) Rule I.B (2) (c) of the special Blanco-Mesaverde pool rules in order to drill and complete the proposed E. E. Elliott "B" Well No. 8-M within the same quarter section as the above-described E. E. Elliott "B" Well No. 1-A and E. E. Elliott "B" Well No. 8-E (**API No. 30-045-26299**), located at a standard infill gas well location 1560 feet from the South line and 1070 feet from the East line (Unit I) of Section 27; and (iii) the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, in order to drill and complete the proposed E. E. Elliott "B" Well No. 8-M within the same quarter section as the above-described E. E. Elliott "B" Well No. 8-E.