

DATE 5/31/01	DISPOSE 6/20/01	ENGINEER MS	LOGGED IN KV	TYPE NSL	APP NO. 115246178
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Case 12725

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
☒ **NOTIFICATION NOT REQUIRED AS AMOCO IS THE ONLY OFFSET OPERATOR**

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Certification

I hereby certify that I, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common.

I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Max K. Eddington

Landman

5/30/01

Print or Type Name

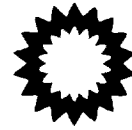
Signature

Title

Date

eddingmk@bp.com

e-mail Address



May 30, 2001

Amoco Production Company

A Part of the BP Amoco Group
501 WestLake Park Blvd.
Houston, TX 77079-3092

Phone: 281-366-2000

Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
P.O. Box 6429
Santa Fe, NM 87505

Case 12725

**Application for Exception to Division Order Nos. R-10987 and R10987-B
To Allow an Unorthodox Location at
90' FSL, 2465' FEL, Unit O, Section 12-T28N-R12W and
To Allow a Third Dakota Well in a Single Proration Unit
Gallegos Canyon Unit #555 Well
Basin Dakota and West Kutz-Pictured Cliffs Pools
San Juan County, New Mexico**

Amoco Production Company (Amoco) plans to drill the subject well to the Basin Dakota Pool, attempt completions in both the Basin Dakota and West Kutz-Pictured Cliffs Pools and commingle the resulting production downhole. **Notice is not required as Amoco is the only offset operator.**

1. Amoco hereby requests administrative approval of an unorthodox well location for the Gallegos Canyon Unit Com #555 well in the Basin Dakota and West Kutz-Pictured Cliffs Pools for the following reasons:
 - a. The variation in the legal subdivision of the United States Public Lands Survey such that Section 12 consists of less than one-half of a perfect governmental section. This has resulted in the existence of a Non-Standard Proration Unit for the Dakota Formation including the following described lands:

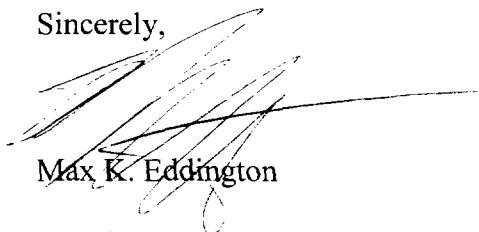
Township 28 North, Range 12 West
Section 11: Lots 1 and 2, S/2SW/4
Section 12: Lots 2, 3 and 4, S/2SW/4, SW/4/SE/4
(Illustrated on Annex "1" to the Form C-102)

- b. The presence of surface development and improvements in the orthodox well location (as indicated on the aerial photo), including the following:
- Center pivot irrigation and rolling pipe irrigation systems
 - Residence and outbuildings
 - West Hammond Irrigation Canal
- c. The subject well is located in the interior of the Gallegos Canyon Unit (and in the interior of the participating areas for both Basin Dakota and West Kutz-Pictured Cliffs formations), such that ownership is common between the adjoining spacing units and the spacing unit containing the proposed unorthodox well location. Therefore, correlative rights would be protected. **No notice is required** as Amoco is the only "Affected person" under Rule 1207.A.(2).
2. Amoco hereby requests administrative approval to allow the Gallegos Canyon Unit #555 well to be the third Dakota well in the proration unit, set forth above, for the following reasons:
- a. Without the requested exception, Lots 1, 2 and S/2SE/4 (the SE/4) of section 12 would remain undrilled (contrary to the prevailing one well per quarter section drilling pattern in the area) as shown on the nine section plats.
- b. Without the requested exception, reserves associated with the SE/4 of section 12 in the Basin Dakota Pool would remain unproduced.

The following maps and exhibits are attached for your use in evaluating the foregoing requests:

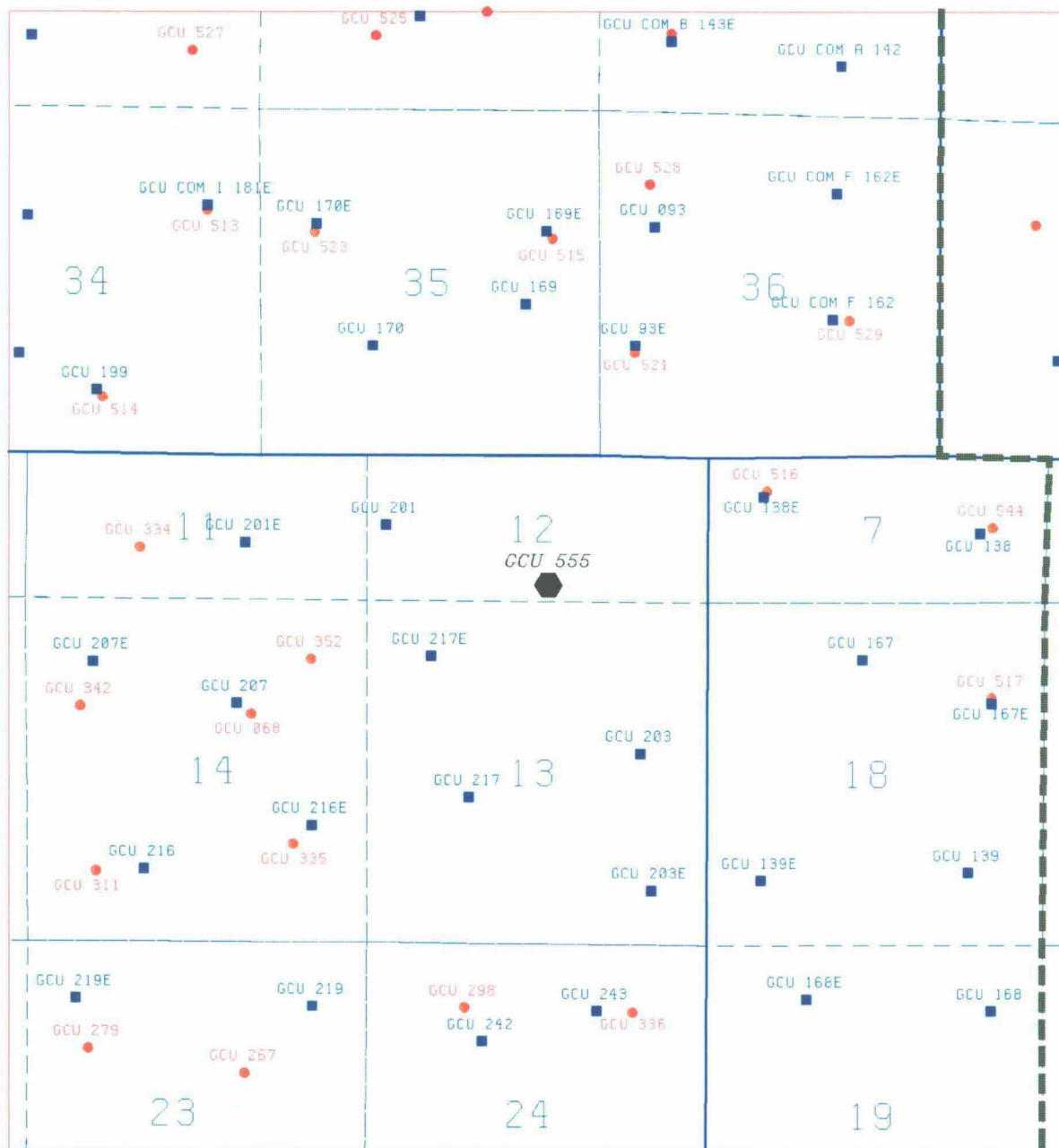
- Form C-102 (with attachments) showing the location of the well
- Nine section plat showing wells drilled in the area and the configuration of the section 12.
- Nine section plat showing wells drilled in the area and the configuration of the section 12, including topography.
- Aerial photo showing approximate locations of surface development and improvements in section 12.

Sincerely,



Attachments

cc: John Papageorge
Well file
Proration file



■ DAKOTA
● PICTURED CLIFFS

AMOCO PRODUCTION COMPANY
HOUSTON, TX

SAN JUAN BUSINESS UNIT

T28N R12W Sec. 12

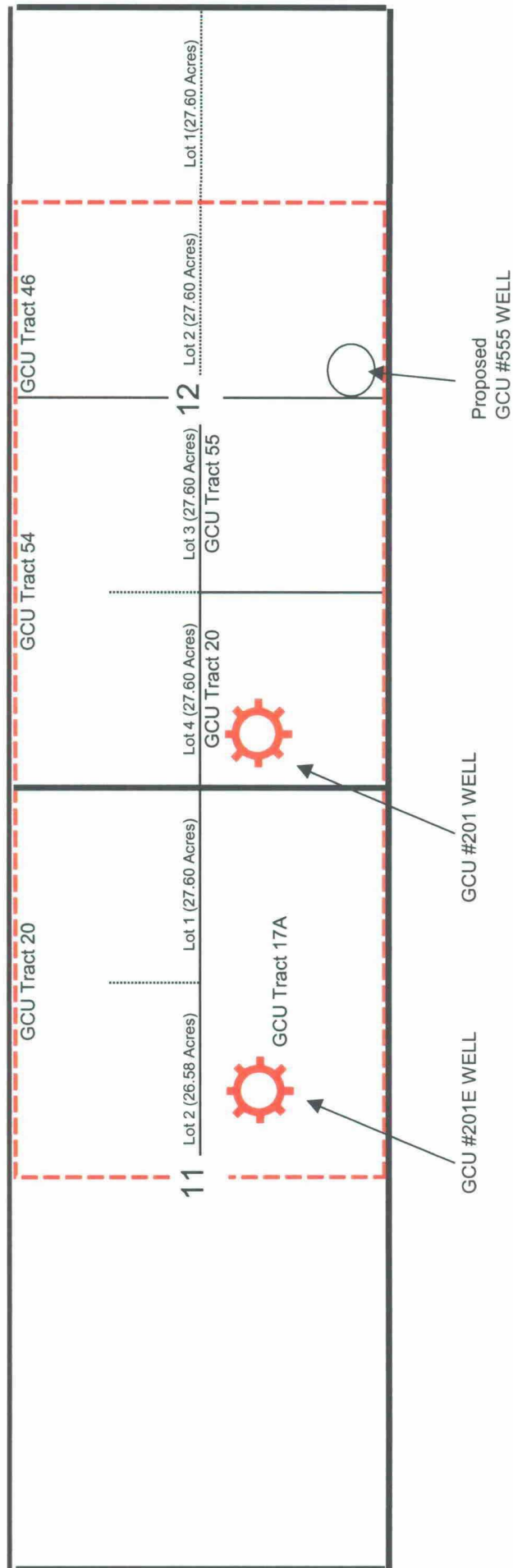
[Ref. New Drill GCU 555]

SCALE

DRAWN M. J. RITZ

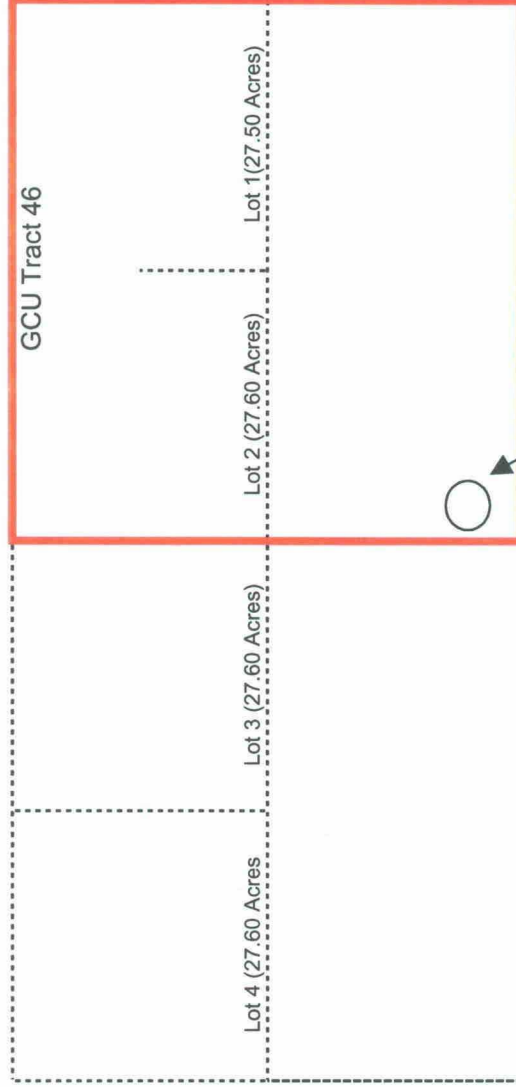
DATE 22-MAY-2001

ANNEX "1" TO
Form C-102 GCU #555 Dakota Well
T28N-12W, N.M.P.M.
Section 11: Lots 1, 2, S/2SE/4
Section 12: Lots 2, 3, 4, SW/4SE/4, S/2SW/4
San Juan County, New Mexico
Containing 337.98 Acres, more or less
As to Gas and Associated Liquid Hydrocarbons
Dakota Formation

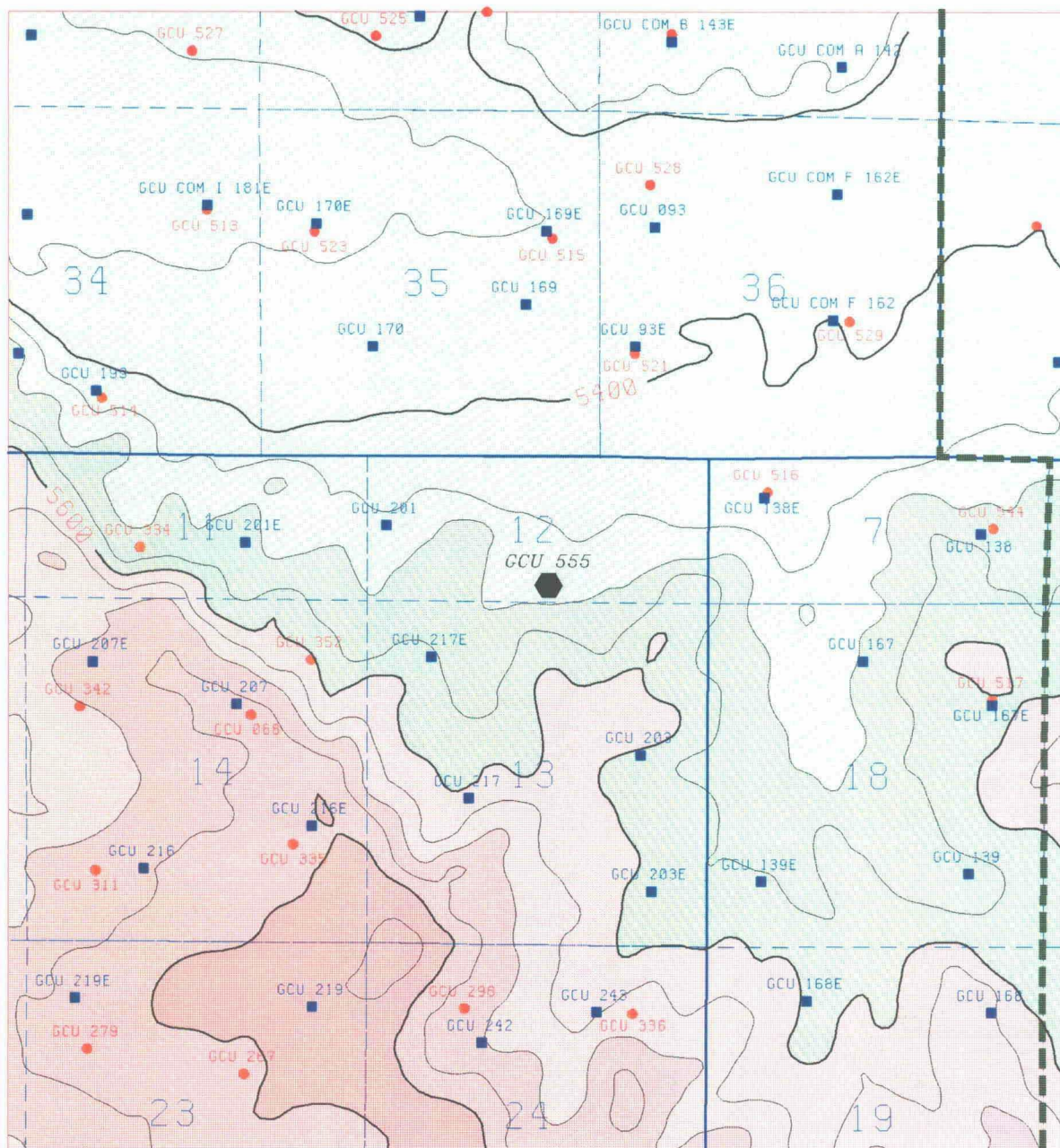


ANNEX "2"

**Form C-102 GCU #555 Pictured Cliffs Well
SE/4 of Section 12 -T28N-12W, N.M.P.M.
San Juan County, New Mexico
Containing 135.10 Acres
As to Gas and Associated Liquid Hydrocarbons
in the Pictured Cliffs Formation**



Proposed
GCU #555 WELL



Topography

- DAKOTA
- PICTURED CLIFFS

AMOCO PRODUCTION COMPANY
HOUSTON, TX

SAN JUAN BUSINESS UNIT

T28N R12W Sec. 12

[Ref. New Drill GCU 555]

SCALE

DRAWN M. J. RITZ

DATE 22-MAY-2001