

Called in by Bill Carr
11/13/92

Memo

From

FLORENE DAVIDSON
OC Staff Specialist

November 5

To

Amoco Production Company

Acreage Rededication

Basin-Fruitland Coal
Gas Pool

San Juan County

840/N + 1210/W

25-32N-11W

W/2 dedicated

SW/4

Have had Lay-blown
Units, Now Want Stand-
up Units

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE (505) 988-4421
TELECOPIER (505) 983-6043

October 14, 1992

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RECEIVED

OCT 14 1992

OIL CONSERVATION DIVISION

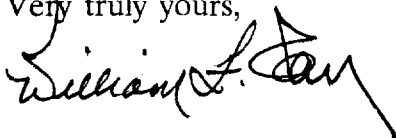
10593

Re: In the Matter of the Application of Amoco Production Company for
Approval of an Unorthodox Gas Well Location and Acreage Rededication,
San Juan County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Amoco Production Company in the above-referenced case. Amoco Production Company respectfully request that this matter be placed on the docket for the November 5, 1992 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Bill Hawkins
Amoco Production Company

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF
AMOCO PRODUCTION COMPANY FOR APPROVAL
OF AN UNORTHODOX GAS WELL LOCATION
AND ACREAGE REDEDICATION,
SAN JUAN COUNTY, NEW MEXICO.

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OIL CONSERVATION DIVISION

CASE NO. 10593

APPLICATION

COMES NOW AMOCO PRODUCTION COMPANY ("Amoco"), by its undersigned attorneys, and applies to the New Mexico Oil Conservation Division for approval of an unorthodox well location in the Basin-Fruitland Coal Gas Pool and for acreage rededication for its Fields A-21-R Well to be drilled at an unorthodox well location 820 feet from the North line and 1820 feet from the West line of Section 25, Township 32 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, to be dedicated to a 320-acre spacing unit consisting of the West half of Section 25, and in support of this application states:

1. Amoco is the operator of Section 25 on which two wells are located which produce from the Basin-Fruitland Coal Gas Pool. The North half of the section is currently dedicated to the Fields A-20 Well which is located at a standard location in the Northeast quarter of the section and the South half of the section is dedicated to the Fields A-21 Well which is located at a standard location in the Southwest quarter of the section. The Fields A-21 Well in the SE/4 of the section is only capable of marginal

production.

2. The Working Interest Ownership and the Royalty Interest Ownership is common throughout Section 25.

3. Amoco has been unsuccessful in its efforts to obtain a commercial Fruitland Coal Gas well in the SW/4 of Section 25 and reserves are being drained from the NW/4 of this section.

4. To prevent drainage of the reserves from the W/2 of Section 25 Amoco proposes to rededicate acreage so that the East half of the section will be dedicated to the Fields A-20 Well in the NE/4 and then to drill its Fields A-21-R Well in the NW/4 and dedicate the West half of the section to this new well.

5. Amoco therefore seeks authority to drill its Fields A-21-R Well in the Basin-Fruitland Coal Gas Pool at an unorthodox location in the NW/4 820 feet from the North line and 1820 feet from the West line of Section 25 as a replacement well for its Fields A-21 Well which will not be produced after the replacement well is completed.

6. The proposed location is unorthodox for the Basin-Fruitland Coal Gas Pool because it is located in the NW/4 of the section and an exception to Rule 7 of the Basin Fruitland Coal Gas Pool Rules (Order R-8768) is therefore required.

7. The proposed unorthodox location is necessary in order for the applicant to economically recover the Basin-Fruitland Coal Gas Pool reserves that are present under the W/2 of Section 25 and to avoid having this acreage drained by offsetting wells.

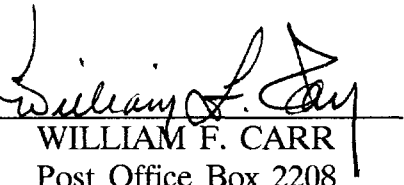
8. Amoco requests that this matter be docketed for hearing on the Division Examiner docket now scheduled for November 5, 1992.

9. A copy of this application has been sent to all offsetting operators and interested parties who might be affected by this application as identified and set forth as required by the Rules of the Division.

WHEREFORE, Amoco Production Company requests that this matter be set for hearing on November 5, 1992 before a duly appointed Examiner of the Oil Conservation Division and that after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR AMOCO PRODUCTION
COMPANY