



Amoco Production Company

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J. D. Cutter
Proration and Unitization Manager

January 10, 1986

Mr. Richard L. Stamets, Director (3)
New Mexico Oil Conservation Division
P. O. Box 2088
Sante Fe, NM 87501

File: JDF-372-986.511

Application for Special Pool Rules
Northeast Ojito Gallup Pool
Rio Arriba County, New Mexico

Amoco Production Company hereby makes application for an Order from the New Mexico Oil Conservation Division for creation of the referenced pool as an oil pool, to establish special pool rules and designation of the pool to include initially the following described lands:

Township 26 North, Range 3 West
Rio Arriba County, New Mexico

Section 25, 26, 35 and 36.

We respectfully request that this application be set for hearing on the February 5, 1986, Examiners Hearing Docket.

Amoco is the owner of all working interest and operating rights within the above described lands and has drilled and completed seven Gallup-Dakota wells within this area, is testing three additional wells and has locations for six other wells.

Existing engineering and geological evidence supports designation of the above described area as a separate pool. In support of this request Amoco states:

1. Establishment of oil spacing units is necessary to protect correlative rights and assist in the prevention of waste.
2. A spacing unit of 160 acres will accomplish this and is not smaller than can be efficiently and economically drained and developed by one well.

Case 8822

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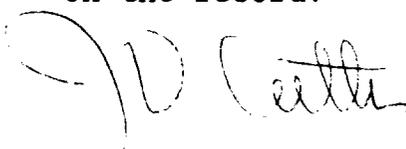
OIL CONSERVATION DIVISION

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We also ask that the order specify:

1. Each 160-acre unit consist of a governmental quarter section or equivalent to as established by governmental survey.
2. Future wells be located no nearer than 790 feet to the outer boundary of the spacing unit, nor nearer than 330 feet to a governmental quarter-quarter section line.
3. Appropriate exceptions to the well location requirement in (2) above be granted for any well permitted, drilling or drilled which is not in conformance thereto.
4. Within one-half mile of the pool boundary, no more than one Gallup, or Gallup-Dakota well shall be completed in any governmental quarter section or equivalent thereto.
5. Commingling of the Dakota and Gallup (Mancos) formation fluids within the wellbore continue to be allowed for any wells permitted, drilling or drilled within the pool boundaries.

And that the requested order contain such other additional provisions which may appear appropriate from the evidence on the record.



CJB/kew

cc:
Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Bravos Road
Aztec, NM 87401

U.S. Department of the Interior
Bureau of Land Management
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Offset Operators (Rule 1207)

LTR645