



Americas Region
BHP Petroleum

September, 25, 1997

Oil Conservation Division
Aztec District Office
1000 Rio Brazos Rd.
Aztec, New Mexico 87410

Attention: Mr. Johnny Robinson

RE: Gallegos Canyon Unit Well No. 348 API #30-045-26102 p. 24-24N-13W

Johnny,

Per our conversation BHP has been trying to convey well #348 to Bolack Minerals Company since 1986. It is my understanding now, that they have the correct state bond and all that is required would be a C104 execution. If you could verify this for me and I will try to get Tommy to move forward on this. Please find attached some of the correspondence over the years.

BHP would like to request a 60 day extension to resolve this issue and comply with rule 201B.

If you have any questions, please call me at (713) 961-8332.

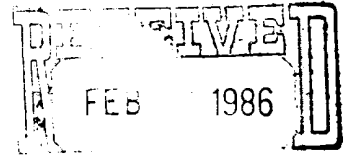
Sincerely,

Fred Lowery
Operations Superintendent

WOODS INSURANCE SERVICE

A CORPORATION

January 29, 1986



BHP PETROLEUM
DNV LAND DEPT.

To Whom It May Concern

Tommy Bolack
Re: Bolack Minerals Company
Bond #01-0130-02305-52-1

Gentlemen:

The above captioned bond is a \$25,000 blanket bond for Federal leases in the State of New Mexico, continuous and in force since 1976 with United States Fidelity & Guaranty Company

Yours sincerely,

WOODS INSURANCE SERVICE, INC.

Mona Tappan
Mona Tappan, Office Manager

mt

Christeen,

Bolack Minerals has operated wells in the San Juan Basin for over 30 years. We presently have working interest in over 2000 wells + ORR in many. I have knowledge and experience in well operation and responsibility.

Tommy Bolack
San Juan Bolack Minerals
3901 Bloomfield Hwy
Farmington N.M. 87401
505-325-7873



115 EAST MAIN • P.O. BOX 2430 • FARMINGTON, NEW MEXICO 87499 • (505) 326-1111

State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

April 11, 1986

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

BHP Petroleum
Attn: Mr. William J. Fiant
P. O. Box 3280
Casper, Wyoming 82602

Re: Change of Well Ownership:
Gallegos Canyon Unit Well No. 348
1055' FSL 805' FEL Section 24,
T29N-R13W, San Juan County, New
Mexico

Gentlemen:

This office is in receipt of your letter of April 7, 1986, advising us that you intend to turn the above captioned well over to the mineral interest owner in lieu of plugging and abandonment.

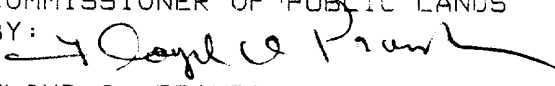
You also, advise that this well was completed in the Farmington Sand as a noncommercial well and the mineral surface owner, (Bolack Minerals Company), has expressed a desire to take over responsibility of the well to provide fuel for their adjacent ranching/farming operations.

Please be advised that the Commissioner of Public Lands does not have any objections to your proposed request. Inasmuch as the Gallegos Canyon Unit also contains federal lands, please also advise the Bureau of Land Management.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS
BY:

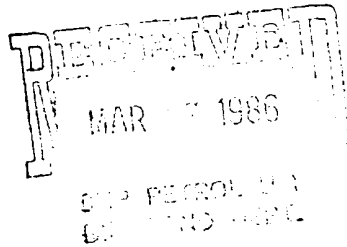

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

JB/FOP/pm

encs.

cc: OCD-Santa Fe, New Mexico

BLM-Albuquerque, New Mexico Attn: Fluids Branch



BHP
Petroleum
(Americas) Inc

4 March 1986

Bolack Minerals Company
c/o Tom Bolack
3901 Bloomfield Highway
Farmington, NM

Re: #348 GCU Well Turn Over
Gallegos Canyon Unit
San Juan County, New Mexico

Dear Mr. Bolack:

Please be advised that BHP Petroleum (Americas) Inc. has secured the required working interest owners' consent for the turning over of the #348 Gallegos Canyon Unit Well to Bolack Minerals Company (Bolack). We are awaiting the State of New Mexico Conservation Commission's further approval of the turn over. Should they require additional information, we will advise you immediately.

In order to complete our files and provide adequate protection to all working interest owners, we request that you agree to the following:

1. BHP, as unit sub-operator of the well, shall turn over the well within 30 days after receiving the Commission's approval to do so. The well shall be turned over at no cost to Bolack Minerals Company and shall include all well materials and equipment. Bolack agrees that it will cease taking gas from the #286 unit well upon availability of gas from the #348 well.
2. Bolack shall have the right to inspect the well and wellsite prior to the well turn over, and if Bolack proceeds with the turn over, it agrees to accept the well in its current condition or "as is."
3. Bolack agrees that the \$25,000.00 blanket bond for Federal leases in the State of New Mexico is in effect and will remain in effect to the extent and for the amount required by the New Mexico Conservation Commission.
4. Should Bolack abandon the well, it will do so in accordance with all regulatory and statutory requirements, and at its own cost and expense.
5. Bolack agrees to assume all obligations of BHP in connection with the well and agrees to hold BHP harmless with respect thereto from

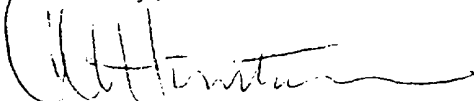
Mr. Tom Bolack
March 5, 1986
Page 2

the actual well turn over date. Similarly, BHP agrees to hold Bolack harmless with respect to all obligations which have accrued prior to the well turn over date.

6. This letter agreement shall be binding upon the undersigned, their successors and assigns.

If you are in agreement to the above, please sign and return a copy to the attention of the undersigned. We will notify you upon receiving the State's approval for the turn over and set an agreeable date for turning the well over to Bolack Minerals Company.

Sincerely,


Christine L. Hinton
Staff Landman

CLH:dma

cc: B. Fiant
R. Gillespie

AGREED TO and ACCEPTED this 10th day of March, 1986

BOLACK MINERALS COMPANY

By: Tommy Bolack Gen Partner
Title

BHP PETROLEUM (AMERICAS) INC.

By: Bernard A. Wirth
Title: Bernard A. Wirth
Attorney-in-Fact



April 7, 1986

State of New Mexico
Commissioner of Public Land
P.O. Box 1148
Santa Fe, NM 87504-1148

Attn: Oil and Gas

Re: Change of Well Ownership: Gallegos Canyon Unit 348
1055' FSL 805' FEL Section 24, T29N-R13W,
San Juan County, New Mexico

Gentlemen:

This letter is in response to a telephone conversation with Mr. Floyd Prando of your office on 4-7-86, concerning the above well. It is our intent to turn this well over to the mineral interest owner in lieu of plugging and abandonment.

BHP Petroleum (Americas) Inc. drilled the subject well and completed it in the Farmington Sand. Subsequent testing has indicated that the well is not capable of producing economically. The mineral surface owner, (Bolack Minerals Company), has expressed a desire to take over responsibility of the well to provide fuel for their adjacent ranching/farming operations (see attached letter). We have provided the Oil & Gas Commission with a C-104, "Authorization to Change Ownership". They have indicated that they will insure that Bolack Minerals Company is properly insured.

If you need any additional information, please advise.

Very truly yours,
BHP Petroleum (Americas) Inc.

A handwritten signature in black ink, appearing to read "William J. Fiant", written over a horizontal line.

William J. Fiant
Administrator, Field Service

WF:mc

Attachments

NO. OF COPIES RECEIVED		
DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
TRANSPORTER	OIL	
	GAS	
OPERATOR		
PRORATION OFFICE		

NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
Supersedes Old C-104 and C-11
Effective 1-1-65

I. Operator
Bolack Minerals Company

Address
3901 Bloomfield Hwy Farmington, NM 87401

Reason(s) for filing (Check proper box)

New Well	<input type="checkbox"/>	Change in Transporter of:		Other (Please explain)	
Recompletion	<input type="checkbox"/>	Oil	<input type="checkbox"/>	Dry Gas	<input type="checkbox"/>
Change in Ownership	<input checked="" type="checkbox"/>	Casinghead Gas	<input type="checkbox"/>	Condensate	<input type="checkbox"/>

If change of ownership give name and address of previous owner
BHP Petroleum (Americas) Inc.

II. DESCRIPTION OF WELL AND LEASE

Lease Name Gallegos Canyon Unit	Well No. 348	Pool Name, including Formation Farmington	Kind of Lease State, Federal of Fee) Fee	Lease No.
Location Unit Letter P ; 1,055' Feet From The South Line and 805' Feet From The East Line of Section 24 Township 29N Range 13W , NMPM, San Juan County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. Is gas actually connected? When

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.					
Elevations (DF, RKB, RT, GR, etc.) GR 5,297'	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth					
Perforations	Depth Casing Shoe							
TUBING, CASING, AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT					

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)


Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pitot, back pr.)	Tubing Pressure (shut-in)	Casing Pressure (shut-in)	Choke Size

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.


(Signature)
Administrator, Field Service BHP Petroleum (A)
(Title)
4-7-86
(Date)

cc: Denver, Attn: Christene
Bolack Mineral Co.

OIL CONSERVATION COMMISSION

APPROVED _____, 19_____
BY _____
TITLE _____

This form is to be filed in compliance with RULE 1104.
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for allowable on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of owner well name or number, or transporter, or other such change of condition.
Separate Forms C-104 must be filed for each pool in multiple completed wells.

Suite 600
5613 DTC Parkway
Englewood, Colorado 80111
Telephone (303) 850-9090
DEX: (303) 850-9110



January 28, 1988

Bolack Minerals Company
3901 Bloomfield Highway
Farmington, New Mexico 87401
Attn: Tommy Bolack

Re: Assignment and Bill of Sale
of the GCU 348 Well
SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 24, T29N, R13W
San Juan County, New Mexico

Dear Mr. Bolack:

Enclosed please find a copy of the captioned Assignment and Bill of Sale. Please provide BHP with a copy of the fully executed and acknowledged instrument after it has been recorded. Also, please provide BHP with a copy of current operator's bonds in the name of Bolack Minerals.

Transfer of physical operations for the GCU 348 well should be arranged with Ed Mays, BHP Production Manager, at (303) 850-9090.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC.

A handwritten signature in cursive script that reads "G. Robert Miller".

G. Robert Miller
Senior Landman

GRM:js
Enclosure
cc: Ed Mays - BHP/Denver