

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



May 23, 2013

BP America Production Company
501 Westlake Park Boulevard, Rm 4.423B
Houston, TX 77079
Attn: Toya Colvin

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6808
Administrative Application Reference No. pPRG1312337868

BP America Production Company
OGRID 000570
Gallegos Canyon Unit Well No. 168E
API No. 30-045-24863

Proposed Location:

| <u>Footages</u> | <u>Unit</u> | <u>Section</u> | <u>Township</u> | <u>Range</u> | <u>County</u> |
|--------------------|-------------|----------------|-----------------|--------------|---------------|
| 836 FNL & 1573 FWL | C | 19 | 28N | 11W | San Juan |

Proposed Unit:

| <u>Description</u> | <u>Acres</u> | <u>Pools</u> | <u>Pool Codes</u> |
|--------------------|--------------|--------------|-------------------|
| N1/2 NW1/4 | 80 | Pinon-Gallup | 50380 |

Reference is made to your application received on April 29, 2013.

You have requested to recomplete an existing well at an unorthodox well location described above, in the referenced pool. The proposed downhole commingling which includes the referenced pool has been approved by district III under DHC-3834-AZ.

The location is governed by Order No. R- 3103 for the Pinon-Gallup pool which provides for 80-acre units consisting of the N/2, S/2, E/2 or W/2 of a governmental quarter section with wells located within 150 feet of the center of either quarter-quarter section or lot in the 80-acre unit. The location of the existing well is not within 150 feet of the center of the quarter-quarter section.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location approval in order to minimize surface impacts, protect correlative rights, and prevent waste.

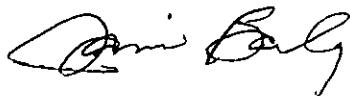
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Director

JB/prg

cc: New Mexico Oil Conservation Division – Aztec District Office
Bureau of Land Management – Farmington Office