

OIL CONSERVATION DIVISION
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5847 San Felipe Suite 3600
Houston, Texas 77057
Telephone: (713) 780-5000
Fax (713) 780-5273
Telex 9108813603

June 7, 1993



State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: Non Standard Location, Administrative Approval Request
Gallegos Canyon Unit #321
SE 1/4 Section 12, T-28-N, R-13-W
San Juan County, New Mexico

Gentlemen:

BHP Petroleum (Americas) Inc. respectfully requests that a non-standard location be approved to allow the GCU #321 to be recompleted in the Fruitland Coal formation. The well is located 850' FSL & 1540' FEL of Section 12, T-28-N, R-13-W in San Juan County, New Mexico.

The non-standard location is being requested in order to utilize an existing wellbore for Fruitland Coal development. This well is in the same 320 acre proration unit which would have been allocated to the GCU #42 wellbore. However, the GCU #42 is unusable due to casing problems and will be plugged. Therefore, this acreage will be allocated to the GCU #321.

No additional surface damage is expected.

BHP is the operator of all offsetting proration units.

If you have any questions, please contact me directly at (713) 780-5301.

Sincerely,

A handwritten signature in cursive script that reads 'Carl Kolbe'.

Carl Kolbe
Regulatory Affairs Representative

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. SF078807
2. Name of Operator BHP Petroleum (Americas) Inc.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 5847 San Felipe, Suite 3600, Houston, Texas 77057 (713) 780-5000	7. If Unit or CA, Agreement Designation Gallegos Canyon Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 850' FSL & 1540' FEL of Section 12, T-28-N, R-13-W	8. Well Name and No. GCU #321
	9. API Well No.
	10. Field and Pool, or Exploratory Area Basin Fruitland Coal
	11. County or Parish, State San Juan, New Mexico

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1. Production test the Pictured Cliffs; if productive (25 MCF or more), set RBP @ approximately 1446'. If not productive, set CIBP @ same depth.
2. Perforate the Fruitland Coal w/4 JSPF.
3. Pressure test casing w/2500psi.
4. If casing tests OK, then fracture stimulate w/a minimum of 40,000# of sand down casing; if not, repair casing and frac down tubing.

B.O.P.E. will consist of a 2000# Reagan bladder type preventer, pipe rams and blind ram B.O.P.E.

14. I hereby certify that the foregoing is true and correct

Signed Carl Kalbe Title Regulatory Affairs Representative Date 6/7/93

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 310 Old Santa Fe Trail, Room 206
 Santa Fe, New Mexico 87503

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator BHP Petroleum (Americas) Inc.			Lease Gallegos Canyon Unit		Well No. 321
Unit Letter 0	Section 12	Township 28 N	Range 13 W	County San Juan	
Actual Footage Location of Well: 850' 810 feet from the South line and 1540' feet from the East line					
Ground level Elev. 5680'	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

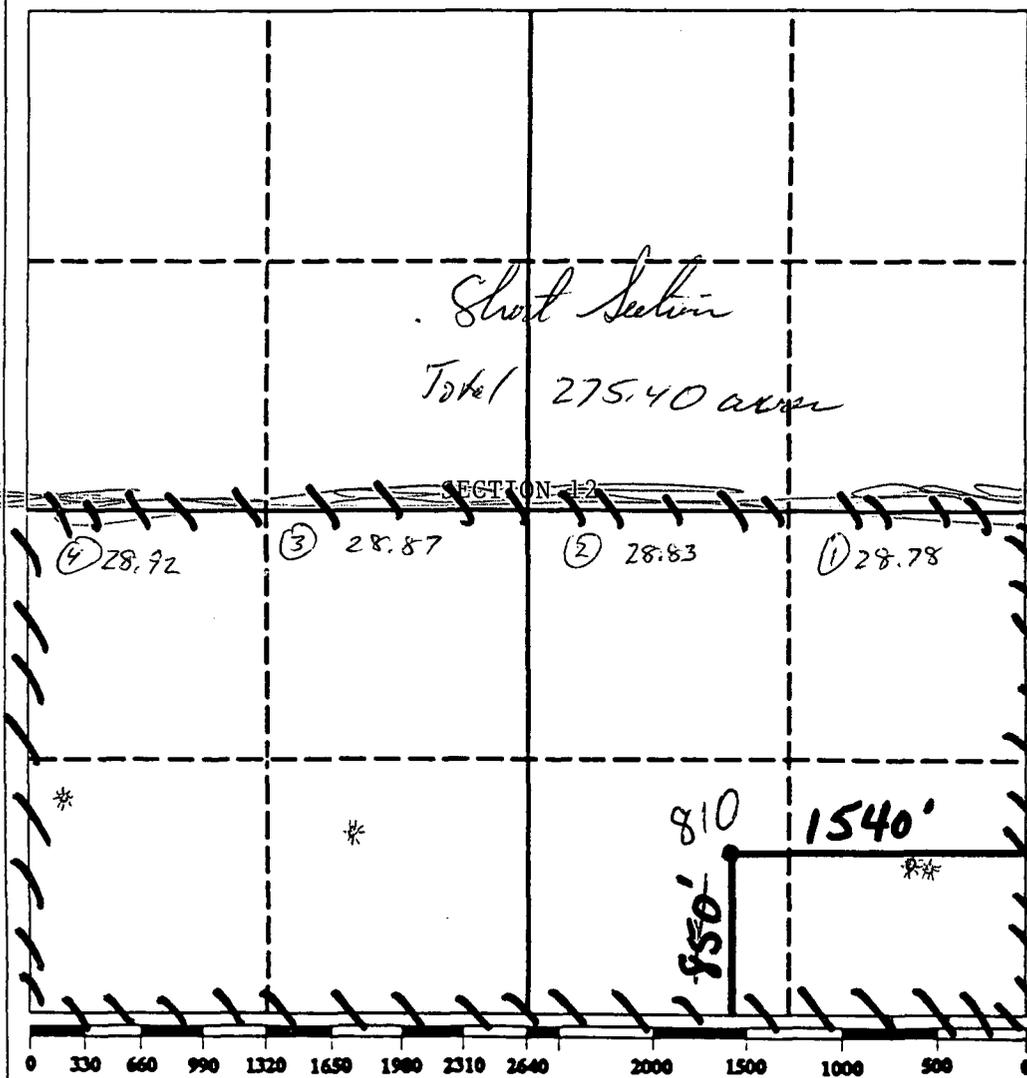
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Carl Kolbe
 Printed Name: Carl Kolbe
 Position: Regulatory Affairs Rep.
 Company: BHP Petr. (Americas) Inc.
 Date: 6/7/93

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: _____
 Signature & Seal of Professional Surveyor: _____
 Original on file
 Certificate No.: _____



ZM SYSTEM

