

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



February 3, 1995

BHP Petroleum (Americas) Inc.
1360 Post Oak Blvd. - Suite 500
Houston, Texas 77056-3020

Attention: Carl Kolbe

RE: Gallegos Canyon Unit Well No. 42
API No. 30-045-07557
990'FSL - 1650'FWL (Unit N) of Section 12,
Township 28 North, Range 13 West, NMPM, San
Juan County, New Mexico.

Dear Mr. Kolbe:

Per your letter dated October 20, 1994 requesting authorization to transfer the previously approved 275.40-acre non-standard gas spacing and proration unit in the Basin-Fruitland Coal (Gas) Pool comprising all of irregular Section 12, to your Gallegos Canyon Unit Well No. 42 from the Gallegos Canyon Unit Well No. 321 located at an unorthodox coal gas well location in Unit "O" of said Section 12.

By Division Administrative Order NSL-3273(NSP), dated June 28, 1993, see copy attached, said unit was authorized to be dedicated to the No. 321 well.

At this time what is the current status of the No. 321 well, what is BHP's plans for it, was it ever recompleted into the Fruitland coal interval, did it ever produce gas from the coal seam, will it be plugged and abandoned, or perhaps you might provide any additional information on this well that you think is relevant? Thank you.

Should you have any additional questions or comments concerning this matter, please contact me at (505) 827-8185.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Aztec
File: NSL-3273

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7131



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

June 28, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

BHP Petroleum (Americas), Inc.
5847 San Felipe, Suite 3600
Houston, TX 77057

Attention: Carl Kolbe

Administrative Order NSL-3273(NSP)

Dear Mr. Kolbe:

Reference is made to your application dated June 7, 1993, 1992 for a non-standard Basin-Fruitland coal gas well location for your existing Gallegos Canyon Unit Well No. 321 which was drilled in 1981 and completed in the West Kutz-Pictured Cliffs Pool at a standard gas well location 810 feet from the South line and 1540 feet from the East line (Unit O) of Section 12, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, is unorthodox. Further, all of said Section 12 shall be dedicated to the well forming a non-standard 275.40-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location and non-standard gas spacing and proration unit are hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington



Check to GCU #321

October 20, 1994

Americas Division
BHP Petroleum

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

*Received
by NMOCB
10-28-94
M.S.*

Re: Non-Standard Location, Administrative Approval Request
Gallegos Canyon Unit #42
SE/SW Section 12, T28N, R13W
San Juan County, New Mexico

Gentlemen:

BHP Petroleum (Americas) Inc. respectfully requests that a non-standard location be approved to allow the GCU #42 to be recompleted in the Basin Fruitland Coal formation. The well is located in the SE/SW, Section 12, T28N, R13W, 990' FSL and 1650' FWL, San Juan County, New Mexico.

A non-standard location is requested due to spacing reasons. Previously, 137.70 acres were dedicated to this West Kutz Pictured Cliffs well. With this letter we are requesting approval of a 275.40 acre non-standard gas proration unit in the Basin Fruitland Coal formation.

This same NSL was requested and approved in October of 1991; however the work was not done due to casing damage. Remedial work has been performed to repair the casing and the well is ready to be recompleted as soon as approved.

The existing wellbore will be used and no additional surface damage is expected.

BHP is the operator of all offsetting proration units.

If you have any questions, you can contact me directly at (713) 961-8423.

Sincerely,
Carl Kolbe

Carl Kolbe
Regulatory Affairs Representative

cc: Ernie Busch - OCD, Aztec, New Mexico

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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
 Oil Well Gas Well Other

2. Name of Operator
 BHP Petroleum (Americas) Inc.

3. Address and Telephone No. (713)961-8423
 1360 Post Oak Blvd., Suite 500, Houston, Texas 77056-3020

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 990' FSL & 1650' FWL of Section 12, T-28-N, R-13-W

5. Lease Designation and Serial No.
 SF078807A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
 Gallegos Canyon Unit

8. Well Name and No.
 GCU #42

9. API Well No.
 30-045-07557

10. Field and Pool, or Exploratory Area
 Basin Fruitland Coal

11. County or Parish, State
 San Juan, New Mexico

12. 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.)*

- Pressure test csg. and CIBP @ 1338' to 500 psi.
- Log well from CIBP @ 1338' to surface to locate Fruitland Coal interval.
- Perforate the Fruitland Coal w/4 JSPF.
- Fracture stimulate w/a minimum of 40,000# sand.

B.O.P.E. will consist of a 2000# preventer equipped w/pipe rams for the work string, blind rams, and a non-rotating stripper head.

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

Signed Carl Kolbe Title Regulatory Affairs Rep. Date 10/20/94

(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 statement or representations as to any matter within its jurisdiction.

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-8719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-07557		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 2038	Property Name Gallegos Canyon Unit		Well Number 42
OGRID No. 2217	Operator Name BHP Petroleum (Americas) Inc.		Elevation 5582' DF

¹⁰ Surface Location

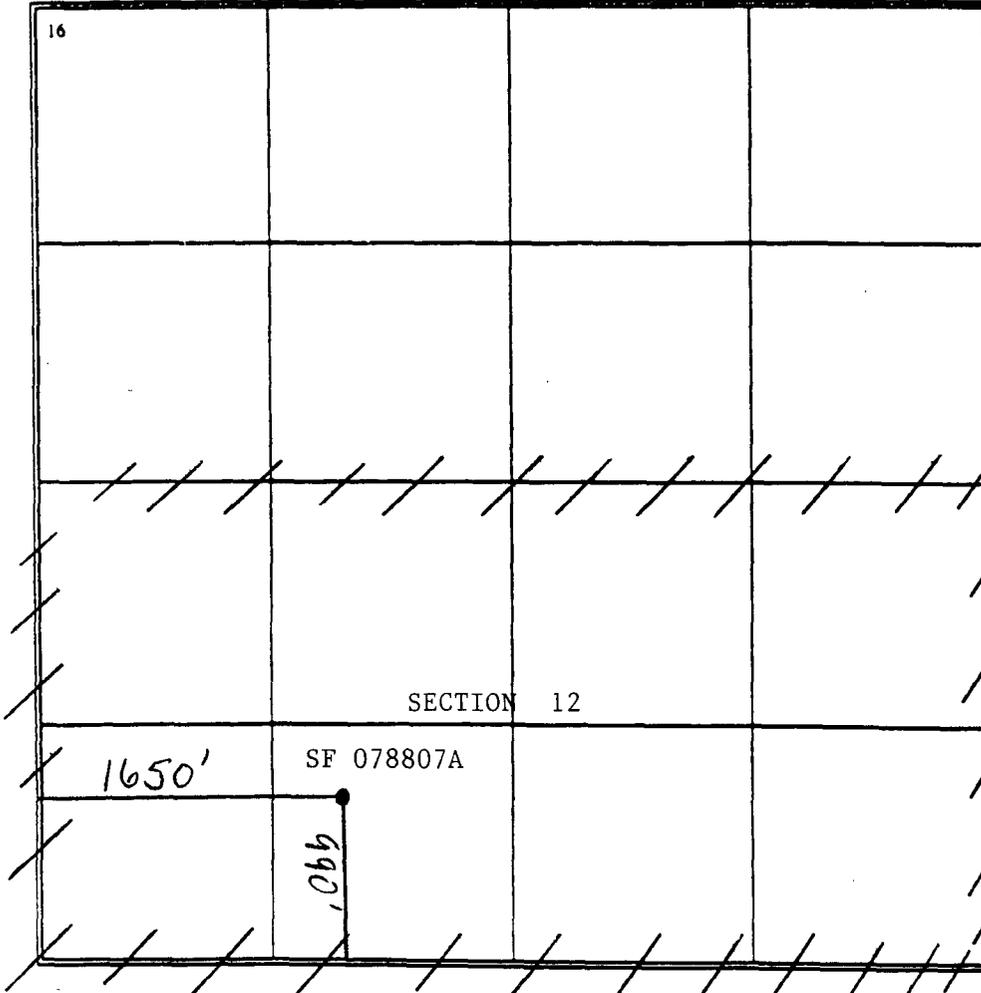
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
N	12	28N	13W		990	South	1650	West	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

¹² Ductile	Acres	¹³ Joint or infill	¹⁴ Consolidation Code	¹⁵ Order No.
275.40		N	U	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ 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
 Title Regulatory Affairs Rep.
 Date October 20, 1994

¹⁸ 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 belief.

Date of Survey _____
 Signature and Seal of Professional Surveyer: _____

ORIGINAL ON FILE

Certificate Number _____

Sec : 12 Twp : 28N Rng : 13W Section Type : NORMAL

4 28.92 Federal owned U	3 28.87 Federal owned U	2 28.83 Federal owned U	1 28.78 Federal owned U
M 40.00 Federal owned U A	N 40.00 * Federal owned U A	O 40.00 Federal owned U A	P 40.00 Federal owned U A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

11
28.92
28.87

57.79
28.83

86.62
28.78

115.40
16
275.40