



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

November 17, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

BP America Production Company

P. O. Box 3092

Houston, Texas 77253-3092

Attention: Cherry Hlava
hlavacl@bp.com

Administrative Order NSP-1894 (NSL)

Dear Ms. Hlava:

Reference is made to the following: (i) your initial application (***administrative application reference No. pMES0-529359477***) of September 12, 2005 for an unorthodox Basin-Fruitland coal gas well location for BP America Production Company's ("BP") proposed Riddle "C" LS Well No. 5 (**API No. 30-045-33336**) to be drilled 2110 feet from the South line and 925 feet from the West line (Lot 14/Unit K) of Irregular Section 30, Township 31 North, Range 9 West, NMPM, Basin-Fruitland Coal (Gas) Pool (**71629**), San Juan County, New Mexico; (ii) the New Mexico Oil Conservation Division's ("Division") response by letter from Mr. Michael E. Stogner, Engineer in Santa Fe, on October 20, 2005 **denying** this application; (iii) your e-mail correspondence with Mr. Stogner on October 25, 2005 concerning this application; (iv) your re-submittal of this application on October 27, 2005 to include a provision to establish a non-standard 299.10-acre coal gas spacing unit consisting of the following acreage; and (v) the Division's records in Aztec and Santa Fe, including the files in Division Cases No. 236 and 10072:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Irregular Section 30: Lots 14 through 16 (SW/4 equivalent)

Irregular Section 31: Lots 7 through 10 and 15 through 18 (W/2 equivalent).

Your application has been duly filed under the provisions of: (i) Rules 6 and 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended; and (ii) Division Rules 104.F, 104.D (2), and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

The above-described acreage conforms to an existing non-standard gas spacing and proration unit in the Blanco-Mesaverde Pool (**72319**) approved under the authority of Division Order No. R-35, issued in Case No. 236 on December 1, 1950, and serves to complement the previously established 309.09-acre non-standard coal gas spacing unit comprising the W/2 equivalent of Irregular Section 19 and the NW/4 equivalent of Irregular Section 30, Township 31 North, Range 9 West, NMPM, San Juan County, New Mexico, approved by Division Order No. R-9308, issued in Case No. 10072 on September 27, 1990.

November 17, 2005

Page 2

By the authority granted me under the provisions of Rules 6 and 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," the above-described unorthodox coal gas well location for BP's proposed Riddle "C" LS Well No. 5 and non-standard 299.10-acre coal gas spacing unit are hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division deems necessary.

Sincerely,

A handwritten signature in cursive script, reading "Mark E. Fesmire". To the right of the name is a large, stylized flourish or "X" mark.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: U. S. Bureau of Land Management – Farmington
New Mexico Oil Conservation Division – Aztec
File: Case No. 236
Case No. 10072