



APPLICATION FOR EXCEPTION TO WELL DENSITY
REQUIREMENTS OF BLANCO MESA VERDE POOL
GARTNER A #2B WELL
E/2 SECTION 28, T30N-R8W
SAN JUAN COUNTY, EW MEXICO

BP AMERICA PRODUCTION COMPANY

NEW MEXICO OIL CONSERVATION DIVISION
CASE NUMBER 13612
FEBRUARY 2, 2006

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13612/13613/13614 Exhibit No. 1
Submitted by:
BP AMERICA, INC.
Hearing Date: February 2, 2006

Gartner



William F. Carr
wcarr@hollandhart.com

December 6, 2005

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Application of BP America, Inc. for an exception to the well density requirements of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.

Dear Mr. Fesmire:

Enclosed in triplicate is the Application of BP America, Inc. in the above-referenced case as well as a copy of a legal advertisement. BP requests that this application be placed on the docket for the January 5, 2006 examiner hearings.

Very truly yours,

William F. Carr
Attorney for BP America, Inc.

Enclosures

cc: Bill Hawkins (w/ enclosures)
BP America, Inc.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE APPLICATION OF BP AMERICA PRODUCTION COMPANY, FOR AN EXCEPTION TO THE WELL DENSITY REQUIREMENTS FOR THE BLANCO-MESAVERDE GAS POOL, SAN JUAN COUNTY, NEW MEXICO.

2005
FEB
29

CASE NO. PM 4 29

APPLICATION

BP America Production Company, (BP), through its undersigned attorneys, hereby makes application for an order granting an exception to the well density requirements of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to simultaneously produce three wells in a quarter section and two wells single quarter-quarter section and in support of its application states:

1. BP is the operator of a standard 320-acre spacing and proration unit in the Blanco-Mesaverde Gas Pool comprised of the E/2 of Section 28, Township 30 North, Range 8 West, NMPM, San Juan County, New Mexico.

2. The Blanco-Mesaverde Gas Pool is governed by Special Rules and Regulations which provide for 320-acre spacing and proration units on which as many as four wells may be drilled. (Order No. R-8170, as superseded by Order No. R-10987-A, effective February 1, 1999 and amended by Order No. R-10981-A(1), effective December 2, 2002). These Special Pool Rules and Regulations provide:

II. ACREAGE AND WELL LOCATION REQUIREMENTS

A. Standard GPU (Gas Proration Unit): A Standard GPU in the Blanco Mesaverde Pool shall be 320-acres, more or less, comprising any two contiguous quarter sections of a single section that is a legal subdivision of the U. S. Public Land Surveys.

B. Well density:

- (1) Up to four (4) wells may be drilled on a standard GPU, as follows:
 - (a) the FIRST OPTIONAL INFILL WELL drilled on a GPU shall be located in the quarter section not containing the INITIAL Mesaverde well;
 - (b) the SECOND OPTIONAL INFILL WELL drilled on a GPU shall be located in the quarter-quarter not containing a Mesaverde Well and within a quarter section of the GPU not containing more than one (1) Mesaverde well;
 - (c) the THIRD OPTIONAL INFILL WELL drilled on a GPU shall be located in a quarter-quarter section of the GPU not containing a Mesaverde well and within a quarter section of the GPU not containing more than one (1) Mesaverde well;
 - (d) at the discretion of the operator, the second or third optional infill well may be drilled prior to the drilling of the first optional infill well;
 - (e) no more than two wells shall be located within either quarter section in a GPU, and
 - (f) any deviation from the above-described well density requirements shall be authorized only after hearing....

3. In 1951, the Gartner A Well No. 2 (API No. 30-045-09191) was drilled at a location 1650 feet from the North line and 1500 feet from the East line (Unit G) of Section 28, Township 30 North, Range 8 West, NMPM, and produced from the Mesaverde formation, Blanco-Mesaverde Gas Pool, until 1998.

4. The Gartner A Well No. 2A (API No. 30-045-22433) was drilled in 1977 at a location 1720 from the South line and 1530 feet from the East line (Unit J) of said section. This well was the first infill well drilled on this spacing unit.

5. The Gartner A Well No. 2R (API No. 30-045-29137) was drilled as a high angle/horizontal well in 1994 from a surface location 790 feet from the North line and 1840 feet from the East line (Unit B) with a bottomhole location 2580 feet from the North line and 790 feet from the East line (Unit H) of said Section 28. This was the second infill well on this spacing unit. The Oil Conservation Division authorized BP's predecessor to produce both the Gartner

Well No. 2, No. 2A and No. 2R with the allowable being calculated using only the deliverability of two wells in the spacing unit; being the Gartner A Well No. 2A and the Gartner A Well No. 2R (*See*, Division Order Nos. R-10108 and R-10108-A).

6. Following a demand from the BLM to return the Gartner A Well No. 2 to production, the well was repaired and returned to production in 2001 and then additional pay was added and the well re fracture Stimulated in 2002.

7. The Gartner A Well No. 2B (API No. 30-045-31006) was drilled in 2002 at a location 2340 feet from the North line and 750 feet from the East line (Unit H). This well was the third infill well drilled on this spacing unit and the well was permitted while the Gartner Well No. 2 was off production and used only the surface location for the Gartner A Well No. 2R. This well has been shut in since January 2005.

8. The primary objective in each of the above-described wells is the Blanco-Mesaverde Gas Pool and each well was permitted and drilled as a Mesaverde test.

9. While the total number of wells on this Mesaverde GPU is allowed under the Special Pool Rules and Regulations for the Blanco-Mesaverde Gas Pool, both the Gartner A Well No. 2R and the Gartner A Well No. 2B are located in the same quarter-quarter section and these wells and the Gartner A Well No. 2 are located in the same quarter section.

10. BP therefore requests that the Division enter its order granting an exception to the well density requirements of Rule I B. of the Special Pool Rules and Regulations for the Blanco-Mesaverde Gas Pool approving the location of the Gartner A Well No. 2B in the Mesaverde formation and authorizing BP to simultaneously produce the Gartner A Wells No. 2, 2B and 2R located in the NE/4 of said Section 28. At full development of the spacing unit, BP will operate

no more than four wells in this 320-acre spacing unit. BP therefore does not seek to increase the number of wells in this spacing unit.

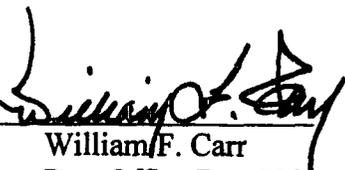
11. Approval of this application will not impair the correlative rights of any other interest owner in the Blanco-Mesaverde Gas Pool, and will afford BP the opportunity to utilize the existing wells to produce the reserves from this spacing unit.

12. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, BP America Production Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2006 and after notice and hearing as required by law, the Division enter its order granting an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool approving location of the Gartner A Well No. 2B in the Mesaverde formation and authorizing BP to simultaneously produce both the Gartner A Well Nos. 2, 2B and 2R located in the NE/4 of Section 28, Township 30 North, Range 8 West, NMPM.

Respectfully submitted,

HOLLAND & HART LLP

By: 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR BP AMERICA
PRODUCTION COMPANY

EXHIBIT A

**APPLICATION OF
BP AMERICA PRODUCTION COMPANY,
FOR AN EXCEPTION TO THE WELL
DENSITY REQUIREMENTS FOR THE
BLANCO-MESAVERDE GAS POOL,
SAN JUAN COUNTY, NEW MEXICO.**

NOTIFICATION LIST

Burlington Resources Oil & Gas Company
Post Office Box 4289
Farmington, New Mexico 87499

ConocoPhillips
Three WestLake Park, WL 3003
Post Office Box 2197
Houston, Texas 77252

CASE _____ :

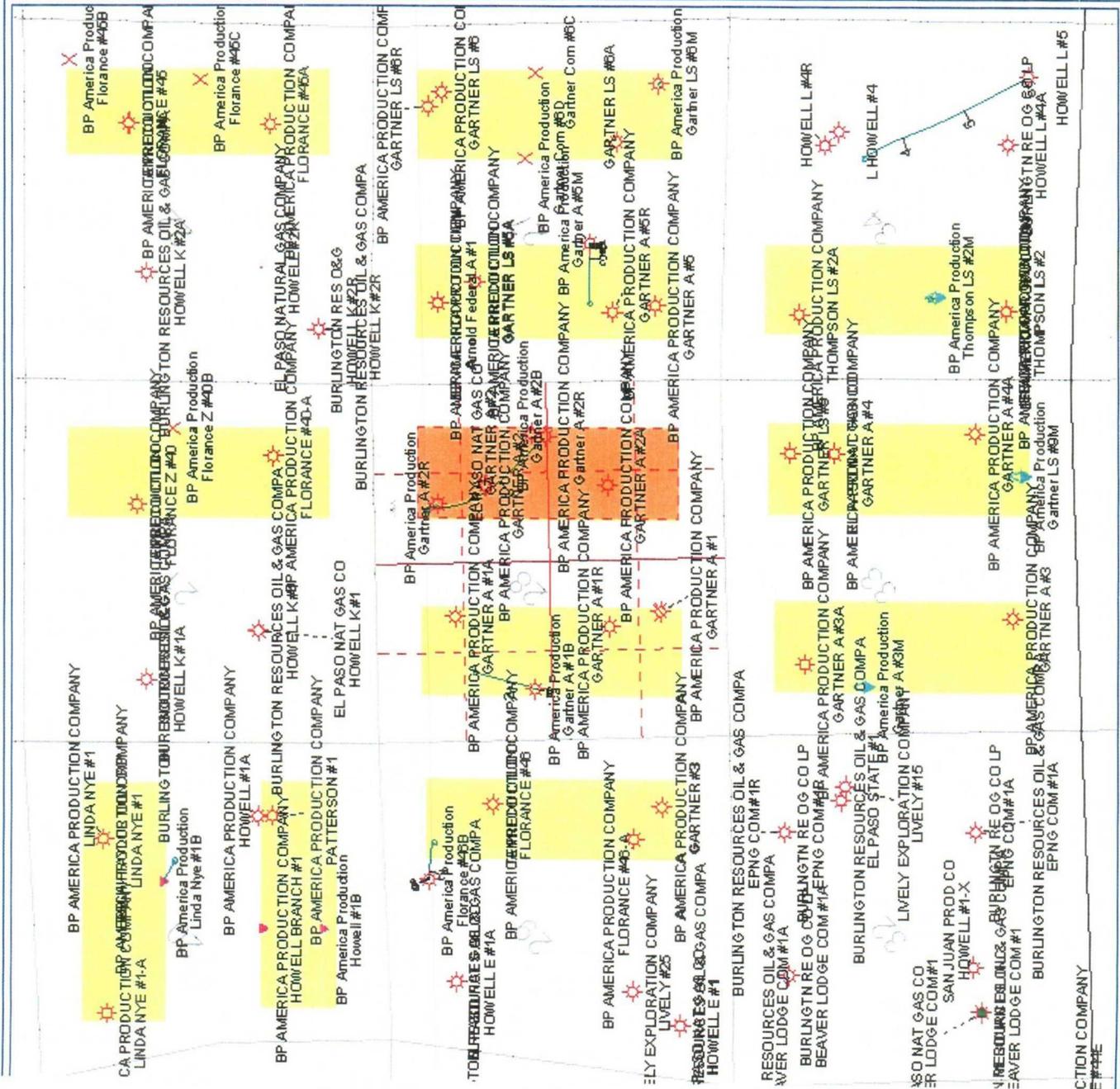
Application of BP America, Inc. for an exception to the well density requirements for the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant in the above-styled cause seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following three Mesaverde wells located in the same quarter section (NE/4) on a standard spacing and proration unit comprised of the East half of Section 28, Township 30 North, Range 8 West, NMPM:

the Gartner A Well No. 2 (API No. 30-045-09191) located 1650 feet from the North line and 1500 feet from the East line (Unit G) of said section;

the Gartner A Well No. 2B (API No. 30-045-31006) located 2340 feet from the North line and 750 feet from the East line (Unit H) of said section; and

the Gartner A Well No. 2R (API No. 30-045-29137) which was directionally drilled from a surface location 790 feet from the North line and 1840 feet from the East line (Unit B) to a bottomhole location 2580 feet from the North line and 790 feet from the East line (Unit H) of said section.

Said wells are located approximately 4 miles southeast of Archuleta, New Mexico.



BP America Production

Blanco Field

Gartner A #2R

28-30N-8W

Area Map



POSTED WELL DATA

- WELL SYMBOLS**
- Operator Well Label
 - Well Location
 - Oil Well
 - Gas Well
 - Dry Hole
 - Plugged & Abandoned Gas Well
 - MVRD HC sample
 - Comingled HC sample

By: G&Z

July 25, 2005

District I
 PO Box 1980, Hobbs NM 88241-1980
 District II
 PO Drawer KK, Artesia, NM 87211-0719
 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 21, 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

¹ API Number 30045-31006		² Pool Code 72319		³ Pool Name BLANCO MESA VERDE	
⁴ Property Code 000 589		⁵ Property Name GARTNER A			⁶ Well Number # 2B
⁷ OGRID No. 000 778		⁸ Operator Name BP AMERICA PRODUCTION COMPANY			⁹ Elevation 6182

¹⁰ Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	28	30 N	8 W		2340	NORTH	750	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres 320.	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Mary Corley</i> Signature MARY CORLEY Printed Name Sr Regulatory Analyst Title 02.20.2002 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>January 29, 2002 Date of Survey</p> <p>Signature and Seal of Professional Surveyor 7016 Certificate Number</p>

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF - 080597	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name 30	
2. Name of Operator BP AMERICA PRODUCTION COMPANY		7. If Unit or CA Agreement, Name and No. 4	
Contact: MARY CORLEY E-Mail: corleym@bp.com		8. Lease Name and Well No. GARTNER A 2B	
3a. Address P.O. BOX 3092 HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 281.366.4491 Fx: 281.366.0700	9. API Well No. 30-045-31006	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENE Lot H 2340FNL 750FEL 36.47000 N Lat, 107.40500 W Lon At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESAVERDE	
14. Distance in miles and direction from nearest town or post office* 21 MILES FROM BLOOMFIELD		11. Sec., T., R., M., or Blk. and Survey or Area H Sec 28 T30N R8W Mer NMP	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 750	16. No. of Acres in Lease 320.00	12. County or Parish SAN JUAN	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 5617 MD	13. State NM	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6182 GL	22. Approximate date work will start 03/15/2002	17. Spacing Unit dedicated to this well 320.00 E/2	
24. Attachments		20. BLM/BIA Bond No. on file	
25. Signature (Electronic Submission) <i>Mary Corley</i>		23. Estimated duration 7 DAYS	
Name (Printed/Typed) MARY CORLEY		DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form.

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission) <i>Mary Corley</i>	Name (Printed/Typed) MARY CORLEY	Date 02/20/2002
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) <i>David J. Mankiewicz</i>	Name (Printed/Typed)	Date 18 2002
Title AFM	Office FFO	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

Additional Operator Remarks (see next page)

Electronic Submission #10426 verified by the BLM Well Information System
For BP AMERICA PRODUCTION COMPANY, sent to the Farmington

ALMOGB

** ORIGINAL **

March 28, 1995

Mr. Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Rd.
Aztec NM 87410

NMOCD Order No. R-10108 and 10108-A
Approval for Horizontal Drilling Project
Gartner A #2R Well
E/2 Section 28-T30N-R8W
Blanco Mesaverde Pool
San Juan County, New Mexico

Per my telephone conversation with Mike Stogner regarding the above referenced NMOCD order, this letter will inform you of Amoco's plans to simultaneously produce the Blanco Mesaverde Pool from the Gartner A #2R well, the Gartner A #2 well and the Gartner A #2A well all located in the gas spacing and proration unit comprising the E/2 Section 28, T30N-R8W. Per NMOCD order, the allowable for the proration unit will be determined based on the deliverability of the Gartner A #2A well in the SE/4 and the Gartner A #2R well in the NE/4. It is my understanding that no further approvals are necessary.

Sincerely,

J. W. Hawkins

cc: Robert DeHerrera

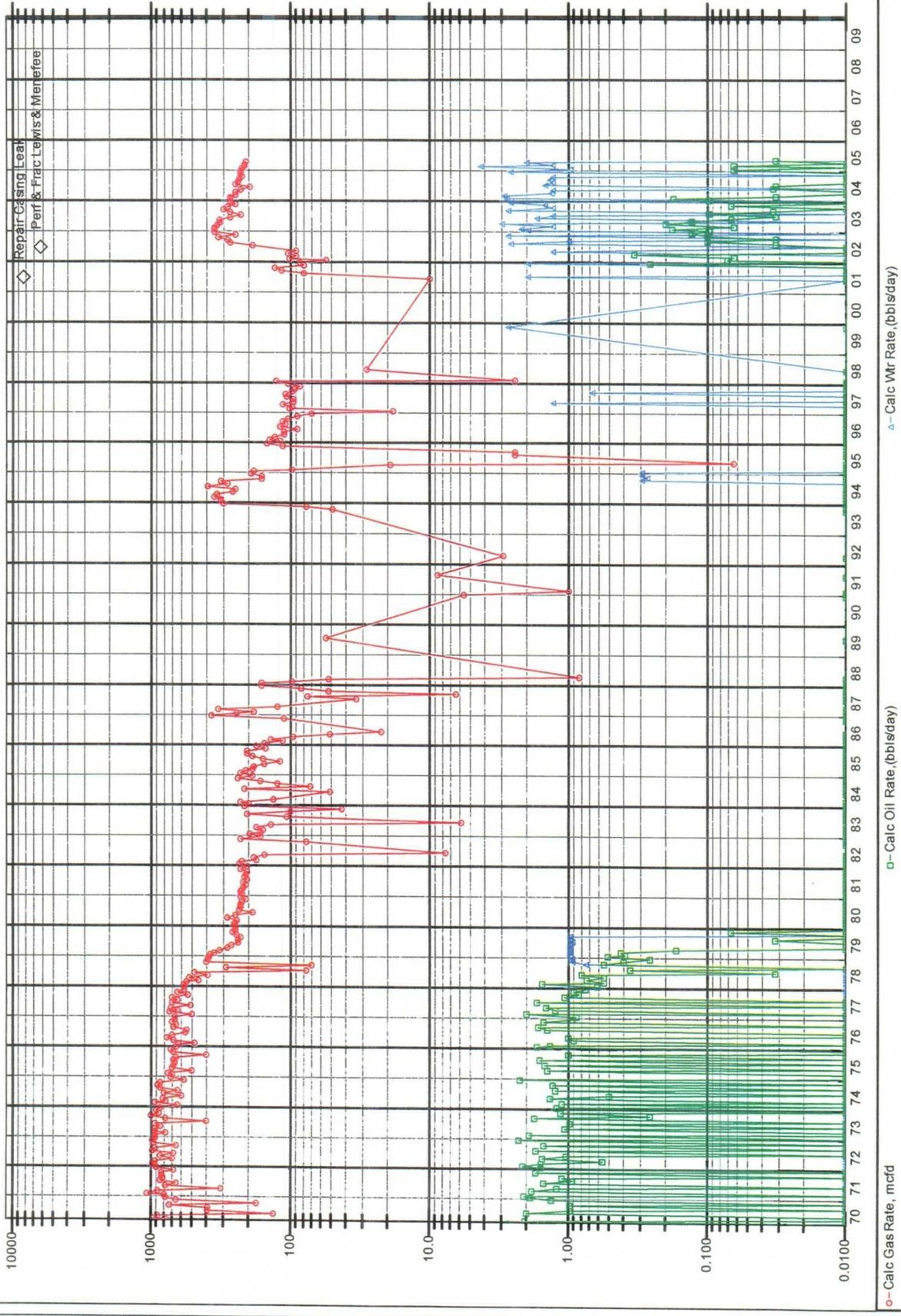
Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco Street
P.O. Box 6429
Santa Fe, NM 87505

GARTNER 2

API:300450919100
SECT:28 TWN:30 RNG:8
WELL:GARTNER 2
OPERATOR:BP AMERICA PRODUCTION COMPANY

PDEN:15157
SPUD Date:8/29/1951
Comp. Date:10/26/1951

HORIZON:604MVRD
Cum Gas (mmcf):6302.181
Cum Oil (mbbls):2.694
Cum Water (mbbls):2.194



VS Time

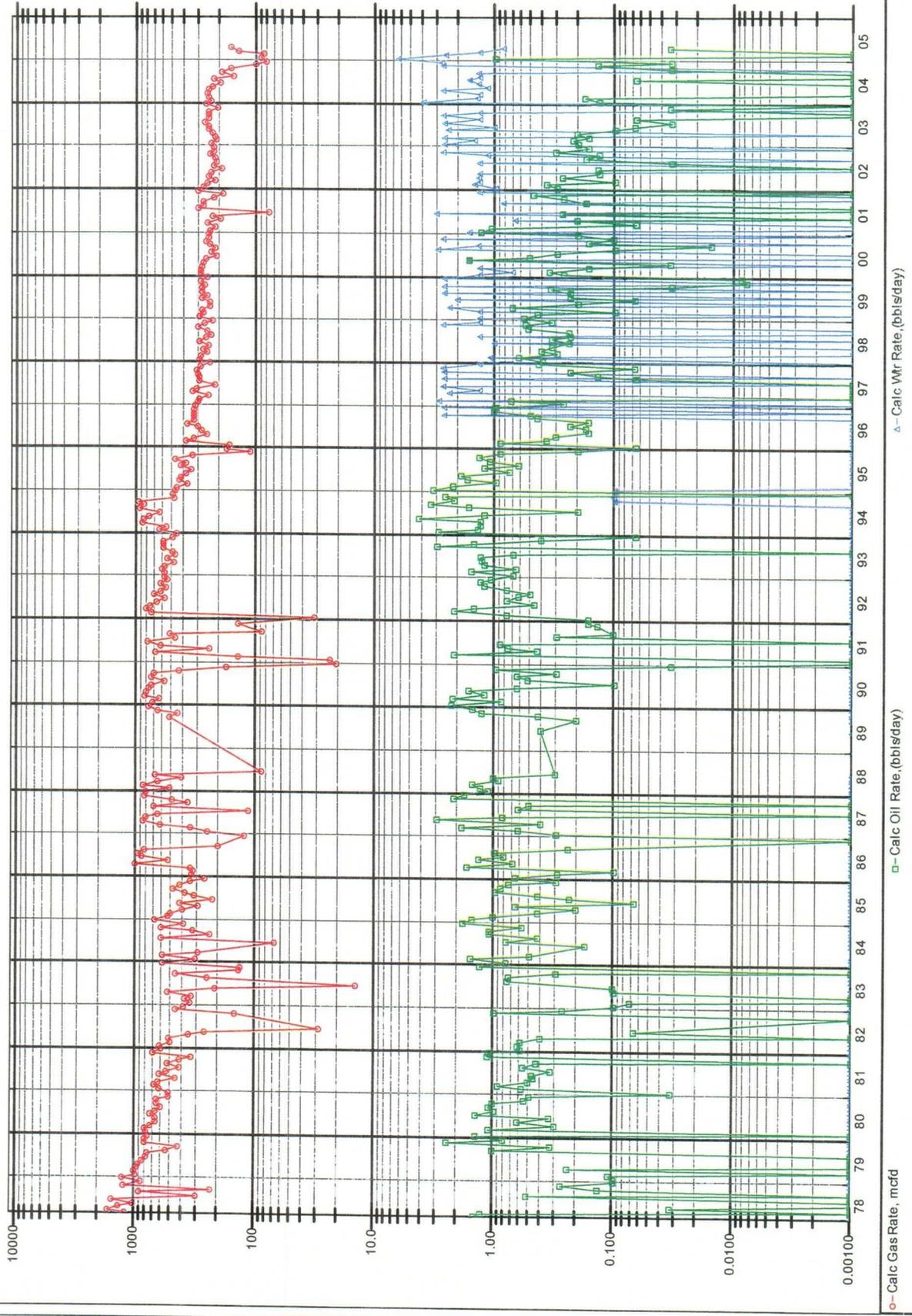
GARTNER 2-A

API:300452243300
SECT:28
WELL:GARTNER 2-A
OPERATOR:BP AMERICA PRODUCTION COMPANY

TVN:30
RING:8

PDEN:19678
SPUD Date:9/10/1977
Comp. Date:10/24/1977

HORIZON:604MVRD
Cum Gas (mmcf):4039,785
Cum Oil (mbls):5,408
Cum Water (mbls):3,846



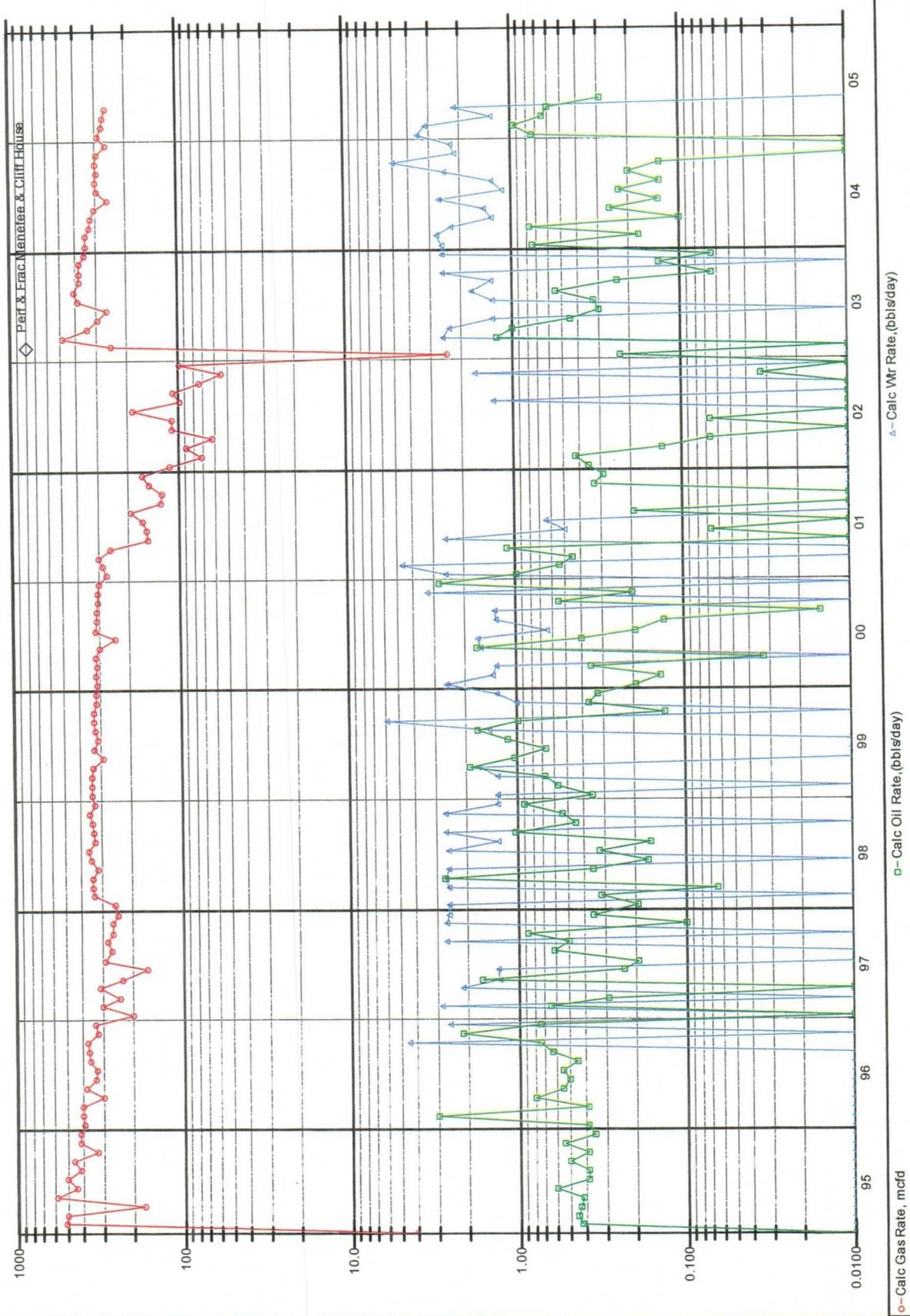
GARTNER A 2R

API:300452913700
SECT:28
WELL:GARTNER A 2R
OPERATOR:BP AMERICA PRODUCTION COMPANY

RNG:8

PDEN:25307
SPUD Date:7/9/1994
Comp. Date:11/1/1994

HORIZON:604MVRD
Cum Gas (mmcf):1092.656
Cum Oil (mmbbls):1.841
Cum Water (mmbbls):4.242

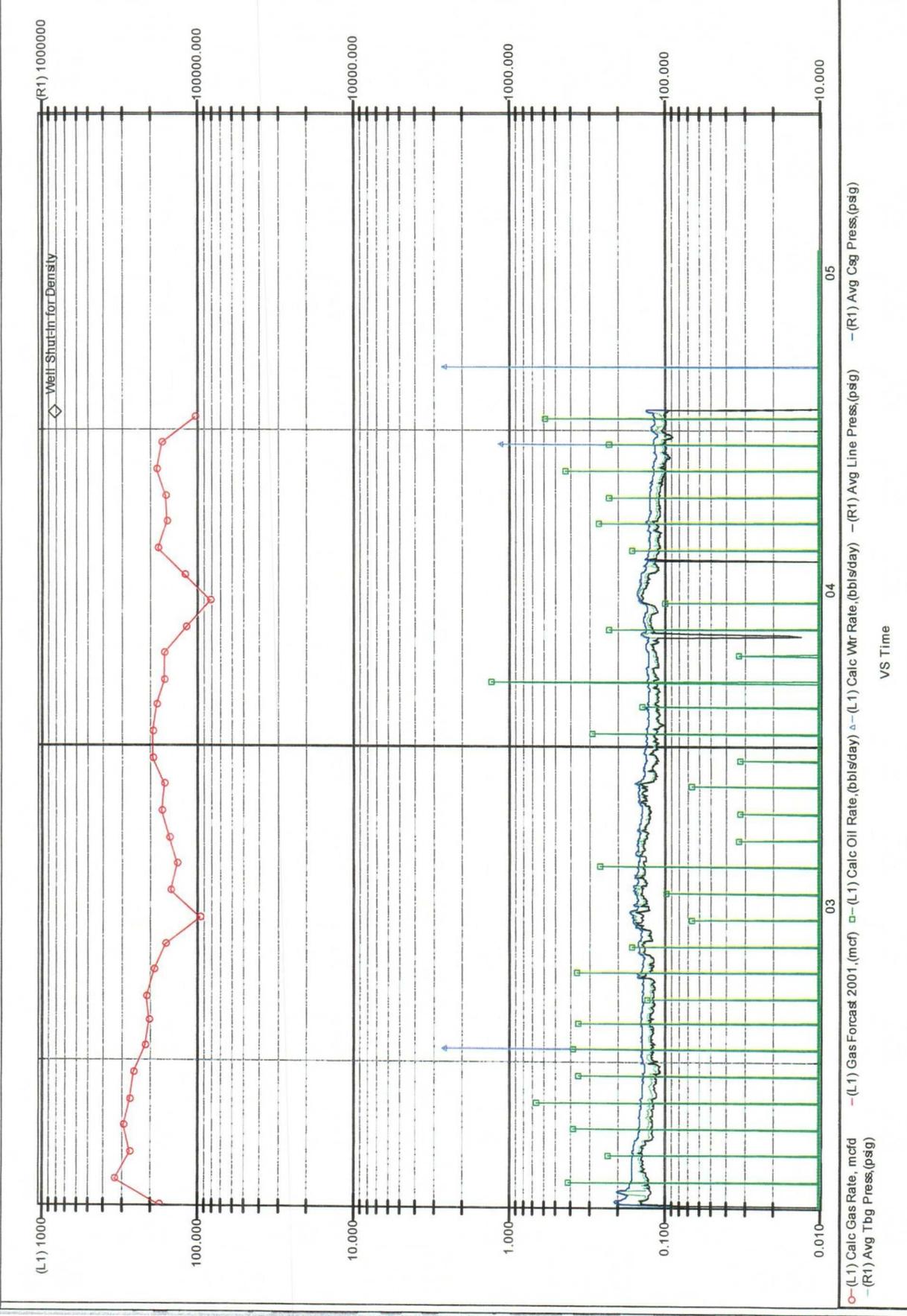


○ - Calc Gas Rate, mcf/d
□ - Calc Oil Rate (bbls/day)
△ - Calc Wtr Rate (bbls/day)

VS Time

GARTNER A 2B
BP AMERICA - SAN JUAN PERFORMANCE UNIT

API:300453100600 HORIZON:604MVRD
 SECT:28 TWN:30 RING:8 PDEN:590571 Cum Gas (mmcf):170,349
 WELL:GARTNER A 2B SPUD Date:6/1/2002 Cum Oil (mmbbls):0.245
 OPERATOR:BP AMERICA PRODUCTION COMPANY Comp. Date: Cum Water (mmbbls):0.195



○ (L1) Calc Gas Rate, mcf/d □ (L1) Calc Oil Rate, (bbls/day) △ (L1) Calc Wtr Rate, (bbls/day) - (R1) Avg Csg Press, (psig)
 - (R1) Gas Forecast 2001, (mcf) - (R1) Avg Tbg Press, (psig)