



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

June 25, 2003

Lori Wrotenbery
Director
Oil Conservation Division

BP America Production Company
P. O. Box 3092
Houston, Texas 77253-3092

Telefax No. (281) 366-0700

Attention: Cherry Hlava
hlavacl@bp.com

Administrative Order NSL-4902

Dear Ms. Hlava:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on May 27, 2003 (***administrative application reference No. pMES0-315026301***); and (ii) the records of the Division in Aztec and Santa Fe: all concerning BP America Production Company's ("BP") request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for a non-standard infill gas well location within an existing standard 320.25-acre lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (**71629**) comprising Lots 1, 2, 3, and 5 and the S/2 N/2 (N/2 equivalent) of Section 5, Township 31 North, Range 10 West, NMPM, San Juan County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*"; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

This unit is currently dedicated to BP's McEwen Gas Com. "D" Well No. 1 (**API No. 30-045-28172**), located at a standard coal gas well location 1740 feet from the North line and 1190 feet from the East line (Unit H) of Section 5.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described well to be drilled as an unorthodox infill coal gas well on this 320.25-acre gas spacing unit is hereby approved:

McEwen Gas Com. "D" Well No. 1-S
580' FNL & 540' FWL (Lot 5/Unit D).

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Further, BP is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing McEwen Gas Com. "D" Well No. 1 with the proposed McEwen Gas Com. "D" Well No. 1-S.

Jurisdiction of this cause 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 "Lori Wrotenberg" followed by a stylized flourish or initials.

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management - Farmington