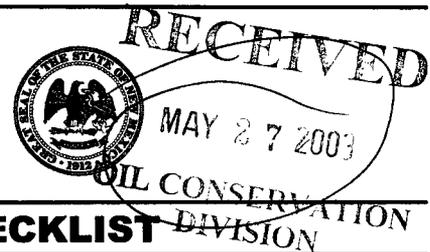


ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Coalns1007

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

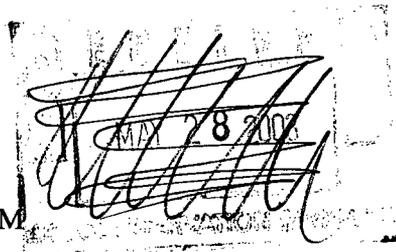
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____



[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

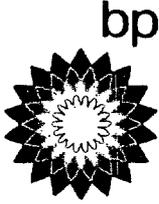
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

<u>Cherry Hlava</u> Print or Type Name	<u>Cherry Hlava</u> Signature <u>281-366-4081</u>	<u>Regulatory Analyst</u> Title <u>hlavacl@bp.com</u> e-mail Address	<u>05/21/2003</u> Date
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San Juan Business Unit

Cherry Hlava
WL1-19.178
281-366-4081 (direct)
281-366-0700 (FAX)
hlavacl@bp.com

P. O. Box 3092
Houston, Texas 77253-3092
501 Westlake Park Boulevard
Houston, Texas 77079

May 22, 2003

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St Francis Drive
P.O. Box 6429
Santa Fe, NM 87505

Application for Non-Standard Well Location
McEwen Gas Com D Well No. 1S
N/2 Section 05-T31N-R10W
Basin Fruitland Coal Pool
San Juan County, New Mexico

BP America Production Company respectfully requests an administrative approval for a non-standard well location for the McEwen Gas Com D Well No. 1S to be drilled at a location of 580' FNL & 540' FWL of Section 05-T31N-R10W. The non-standard location is necessitated by topographical conditions and would insure the conservation of surface and subsurface resources in the area. Topographical obstructions within the legal drilling area are sever terrain - rough sloping terrain (side of cliff), County Road 2900, the wet lands next to Animas River, an irrigation ditch and the location of existing buildings.

To aid in your review is attached a C-102 Well Location Plat showing the well location, a topographical map (APD Map # 1), a 9 section plat showing the offset wells and a field review of other locations.

Attached is a listing of all offset operators who are being furnished a copy of this application via certified mail return receipt requested.

Your attention to this matter is greatly appreciated. Should you have any questions concerning this application please do not hesitate to call me at 281-366-4081.

Sincerely,

A handwritten signature in cursive script that reads "Cherry Hlava". The signature is written in black ink and is positioned below the word "Sincerely,".

Cherry Hlava

cc: Frank Chavez, Supervisor
NMOCD District III
1000 Rio Brazos Road
Aztec, NM 87410

Offset Operators (See Attached List)

Offset Operators
BP America Production Company
McEwen Gas Com D 1S
N/2 Section 05-T31N-R10W
Basin Fruitland Coal Pool
San Juan County, New Mexico

North Offset Operators State Gas Com BX 1

Burlington Resources Oil & Gas Co
P.O. Box 4289
Farmington, NM 87499-4289

W P C Oil & Gas LP
8333 Douglas Ave
Dallas, Tx 75225-5811

West Offset Operators Sammons Gas Com I 1

George William Umbach
P.O. Box 3499
Tulsa, OK 74101-3499

Lee Wayne Moor & Jo Ann Montgomery
403 N. Marienfield
Midland, TX 79701-4323

Robert Umbach Cancer Foundation
P.O. Box 3499
Tulsa, OK 74101

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		² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 000860	⁵ Property Name McEwen Gas Com D		⁶ Well Number # 1S
⁷ OGRID No. 000778	⁸ Operator Name BP AMERICA PRODUCTION COMPANY		⁹ Elevation 6061

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
D (Lot 5)	5	31 N	10 W		580	NORTH	540	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

⁷ 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 320.25	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>Signature: <i>Cherry Hlava</i></p> <p>Printed Name: Cherry Hlava</p> <p>Title: Regulatory Analyst</p> <p>Date: 5-22-03</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>Date of Survey: April 11, 2003</p> <p>Signature and Seal of Professional Surveyor: <i>GARY D. VANN</i></p> <p>7016 PROFESSIONAL LAND SURVEYOR</p> <p>Certificate Number: 7016</p>

**BP AMERICA
PRODUCTION COMPANY**

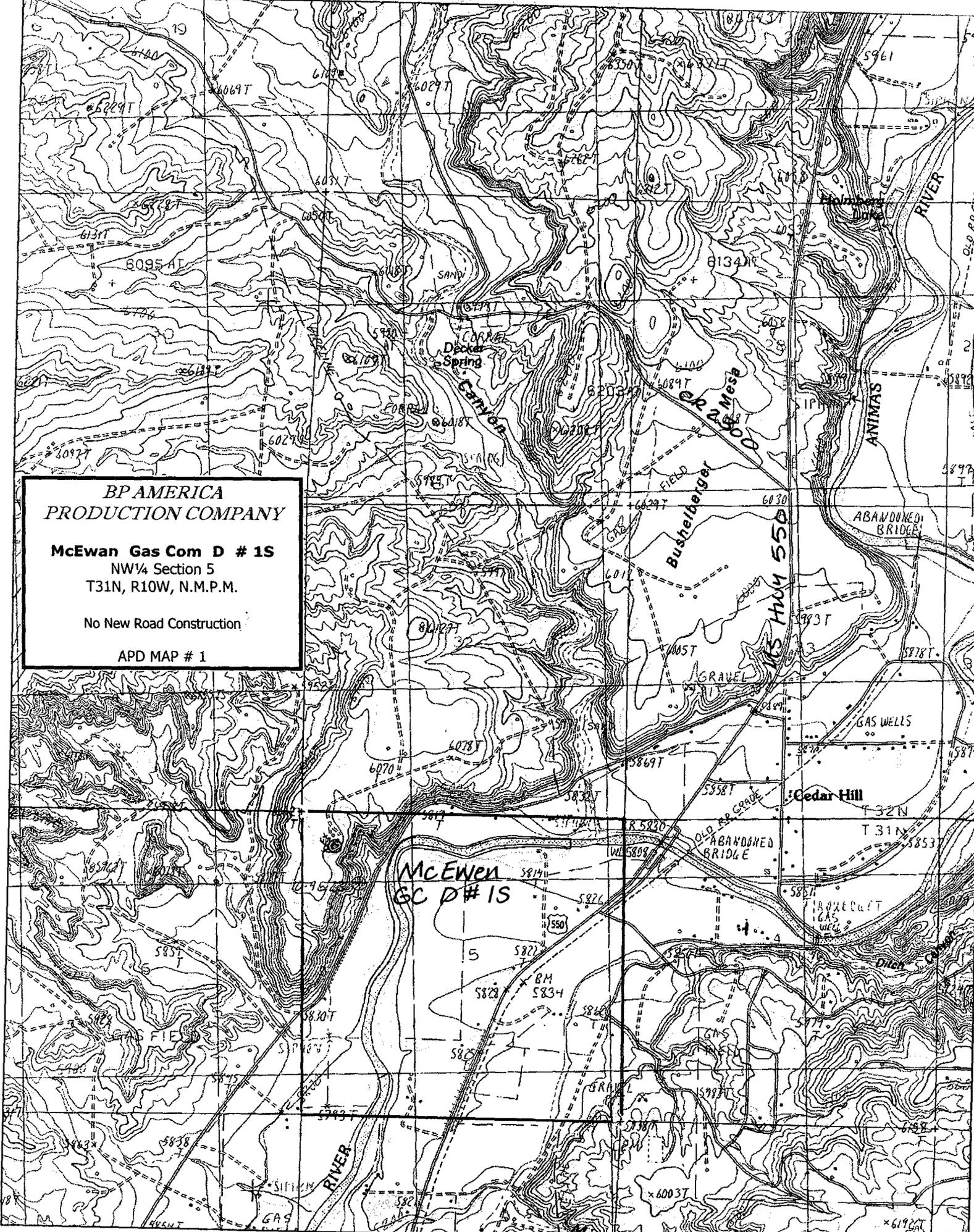
McEwan Gas Com D # 1S
NW¼ Section 5
T31N, R10W, N.M.P.M.

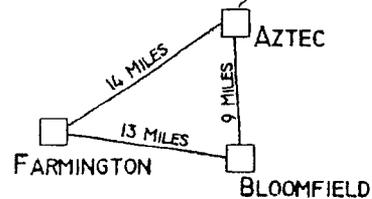
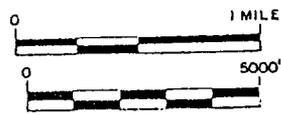
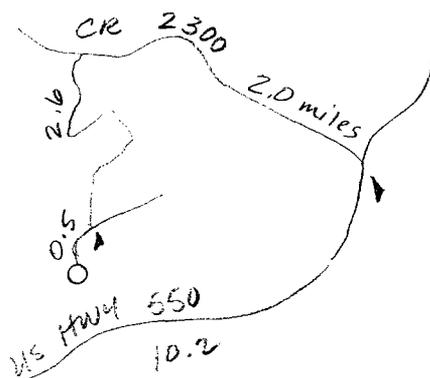
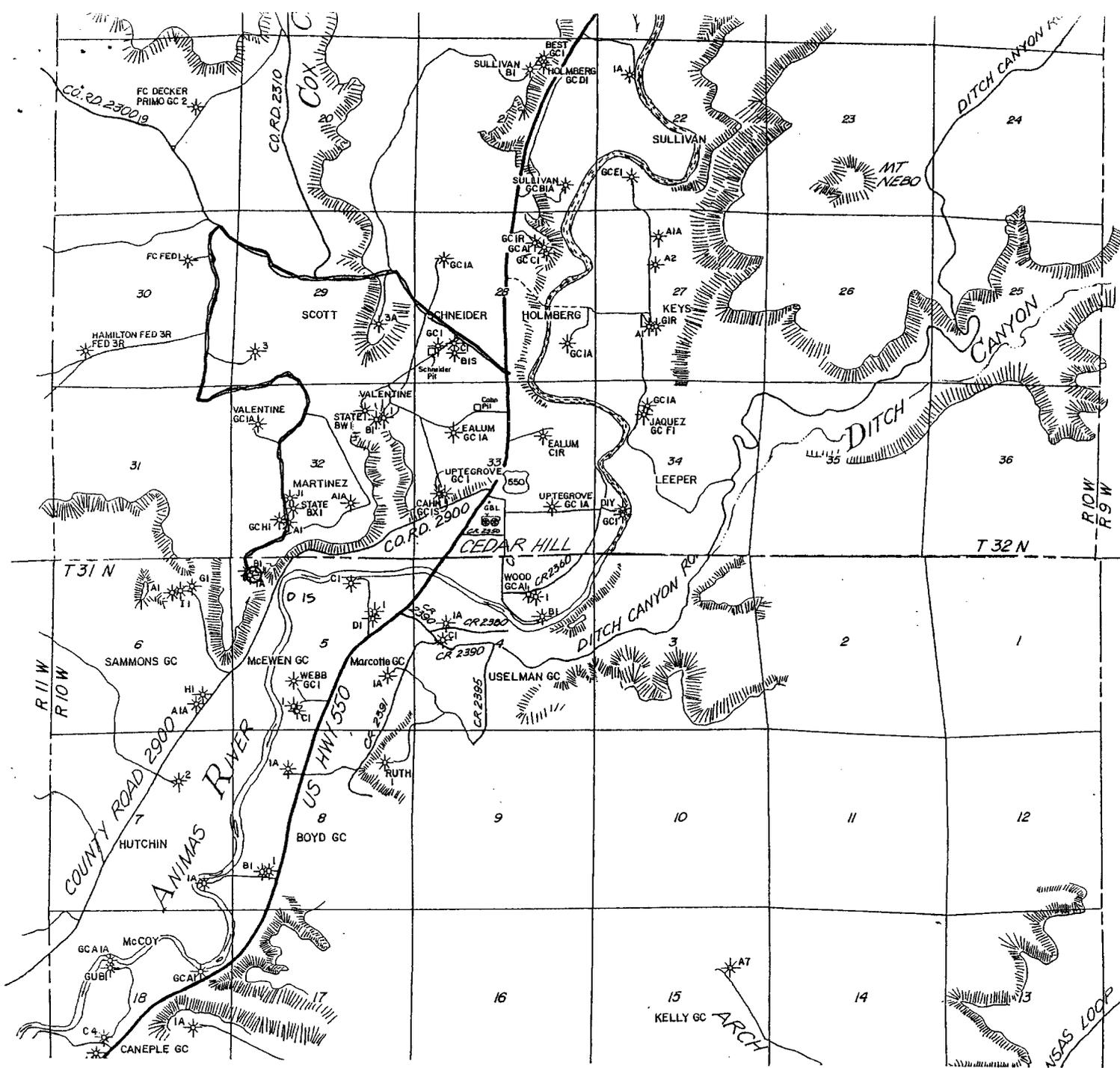
No New Road Construction

APD MAP # 1

**McEwan
GC D # 1S**

MS Hwy 550



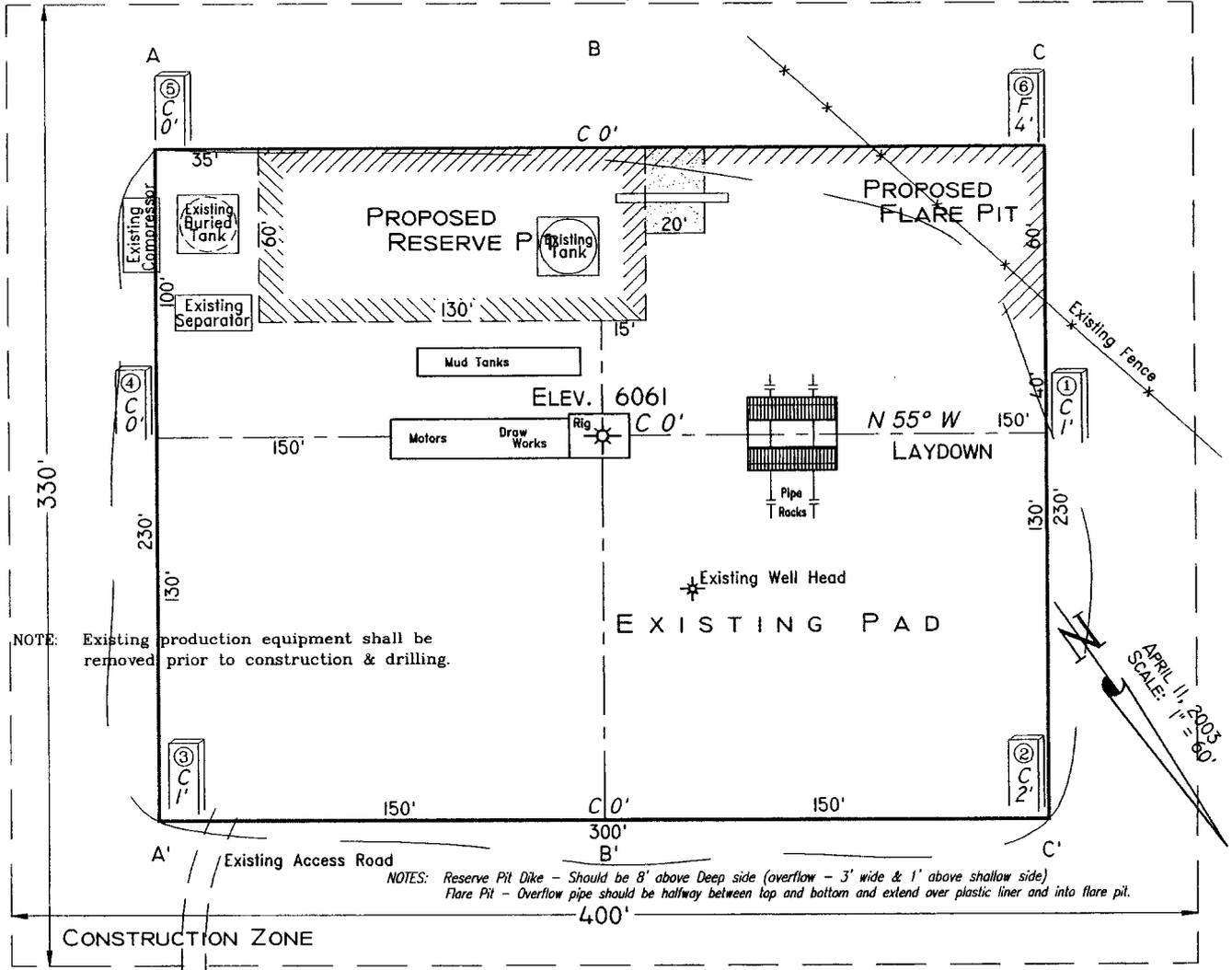


LAT: 36°56.0'
LONG: 107°54.8'
 BP AMERICA PRODUCTION COMPANY
McEwan Gas Com D # 1S
 NW¼ Sec. 5, T31N, R10W, NMPM
 RAIL POINT:
 MUD POINT:
 CEMENT POINT:

PAD LAYOUT PLAN & PROFILE
BP AMERICA PRODUCTION COMPANY
McEwen Gas Com D # 1S
580' F/NL 540' F/WL
SEC. 5, T31N, R10W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

Existing well pad

Lat: 36°55'59"
 Long: 107°54'47"



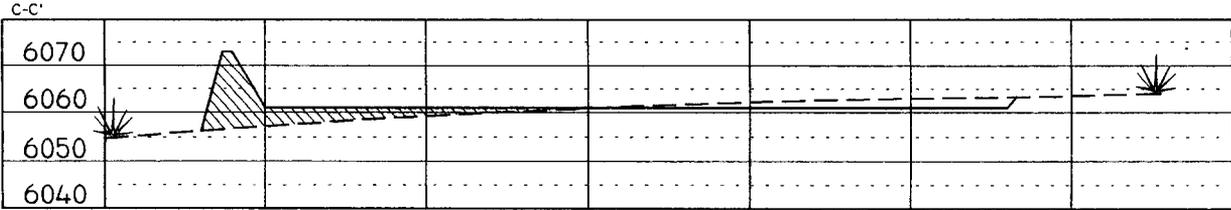
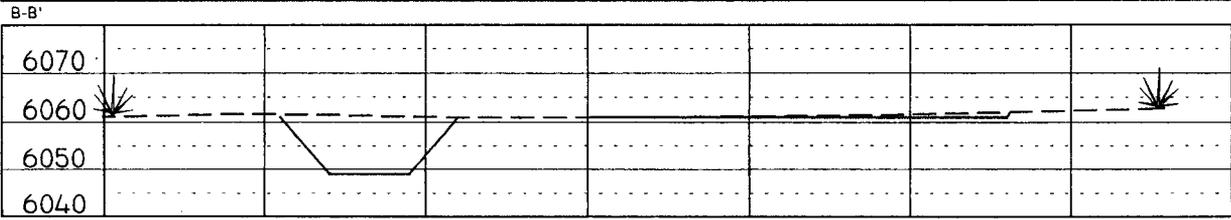
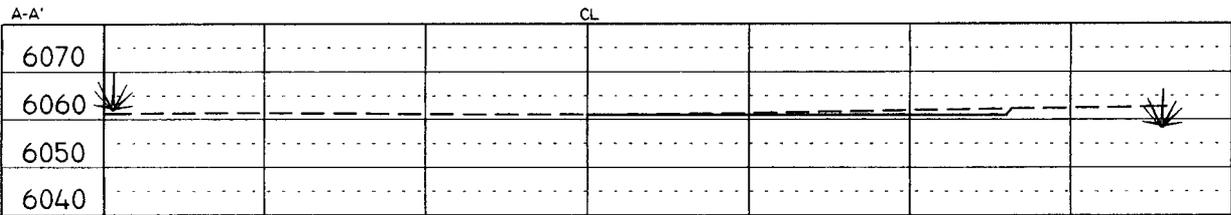
NOTE: Existing production equipment shall be removed prior to construction & drilling.

NOTES: Reserve Pit Dike - Should be 8' above Deep side (overflow - 3' wide & 1' above shallow side)
 Flare Pit - Overflow pipe should be halfway between top and bottom and extend over plastic liner and into flare pit.

APRIL 11, 2003
 SCALE: 1" = 60'

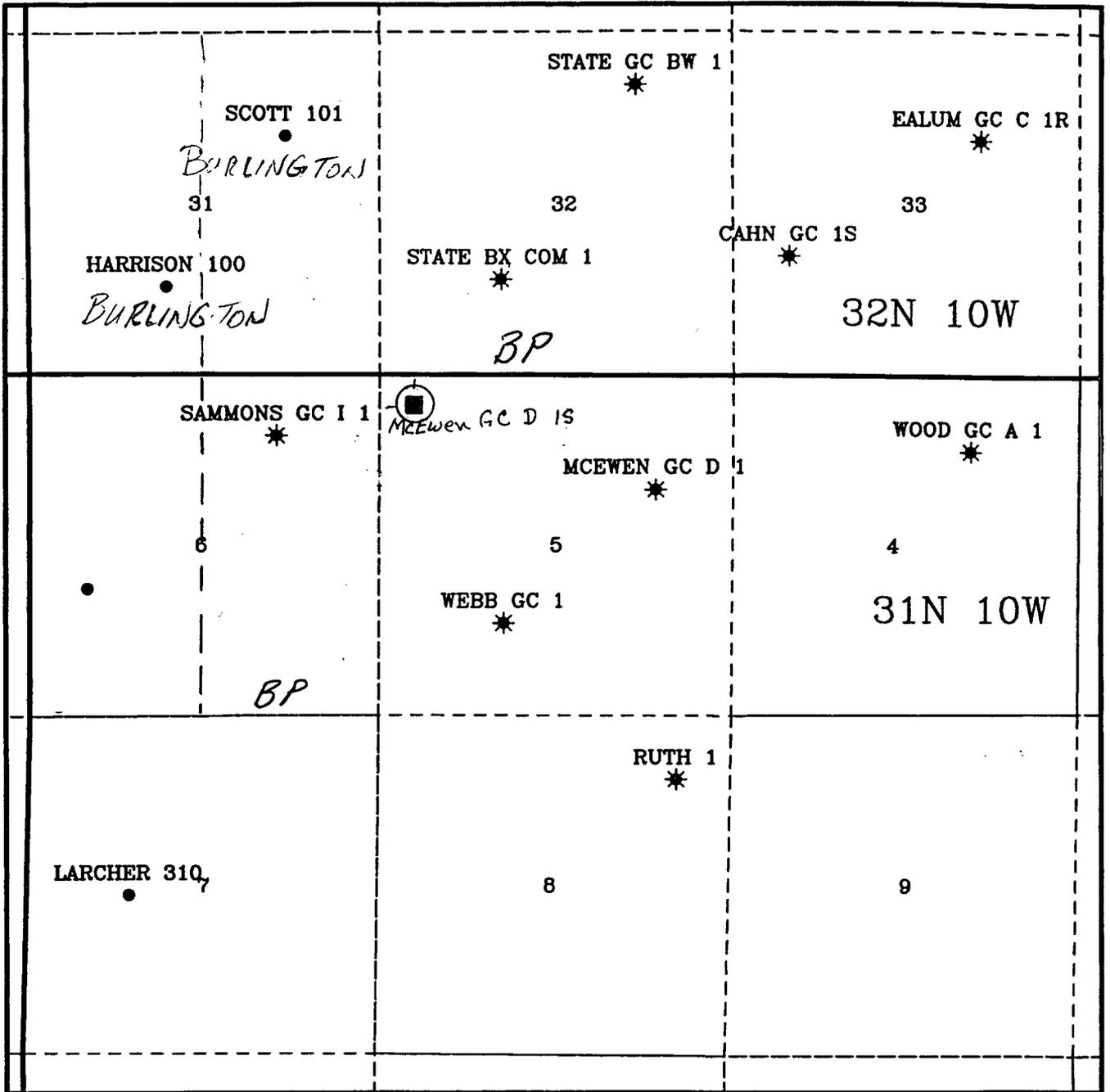
Area of Construction Zone - 330'x400' or 3.03 acres, more or less.

SCALE: 1"=60'-HORIZ.
 1"=40'-VERT.



NOTE: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

Cuts and fills shown are approximate - final finished elevation is to be adjusted so earthwork will balance. Corner stakes are approximate and do not include additional areas needed for sideslopes and drainages. Final Pad Dimensions are to be verified by Contractor.

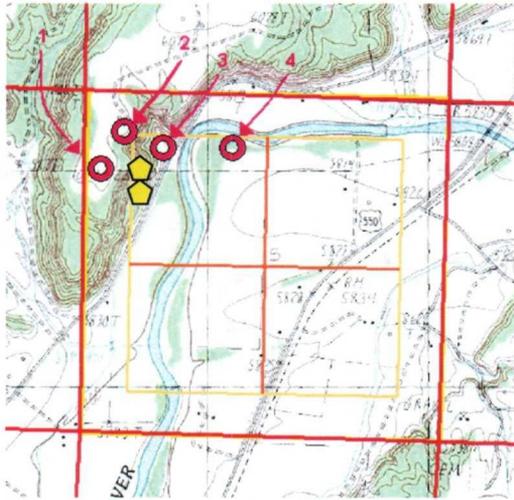


BP America Production Company
Houston, TX.

*Fruitland Coal Well
McEwen Gas Com D 1S
T31N R10W S5*

PLANNED BY: _____ DATE: _____
 CHECKED BY: _____ DATE: _____

McEwen Gas Com D 1S non standard location field review



Houses

Location #1 (withdrawn 3/4/03)

Location too close to section line. The well could be directionally drilled 410' to the east. However, high mechanical risks.

Location #2 (Current Location)

Still an orthodox location. The well could be drilled in this location with non or very small implications. The location is very close to the McEwen A-1 location, reducing in this way soil disturbance. Roads to the location are in place and production pipes will be shorter than for alternate locations.

Location#3

Location in very steep terrain. About a 100' drop off. Soil erosion issues.

Location #4

Located in wet lands, next to Animas river. Not an option.