

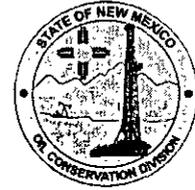
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



May 1, 2013

BP America Production Company
501 Westlake Park Boulevard, Rm 4.423B
Houston, TX 77079
Attn: Toya Colvin

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-1994-A
Administrative Application Reference No. pPRG1309841567

BP America Production Company
OGRID 000570
Gallegos Canyon Unit Well No. 222E
API No. 30-045-26192

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
786 FSL & 623 FEL	P	12	28N	13W	San Juan

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pools</u>	<u>Pool Codes</u>
S/2 SE/4 of Section 12	80	Basin Dakota (Prorated Gas)	71599
		Totah-Gallup	59750

Reference is made to your application received on April 2, 2013.

You have requested to recomplete an existing well at an unorthodox well location described above, in the referenced pools. Administrative Order NSL-1994 was issued on February 28, 1985, for approval of the non-standard location for the Gallegos Canyon Unit Well No. 222E for both referenced pools.

The location is governed by Order No. R-1882, as amended, for the Totah-Gallup pool which provides for 80-acre units with wells located within 150 feet of the center of either quarter-quarter section in the 80-acre unit. This location is also governed by Order No. R-10987-B, as amended, for the Basin Dakota pool with setback requirements for wells of 660 feet from any outer boundary of the quarter section on which the well is located and not closer than 10 feet

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to any quarter-quarter section line or subdivision interior boundary. The setback is less than 660 based on the new footages provided in the application.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location approval in order to minimize surface impacts, protect correlative rights, and prevent waste.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case 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 "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/pg

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