

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 10, 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-6799
Administrative Application Reference No. pPRG1310033738

BP America Production Company
OGRID 000570
Gallegos Canyon Unit Well No. 212E
API No. 30-045-24734

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
833 FSL & 999 FEL	P	32	29N	12W	San Juan

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pools</u>	<u>Pool Codes</u>
S/2 SE/4 of Section 32	80	Basin Dakota (Prorated Gas)	71599
		Total-Gallup	59750

Reference is made to your application received on April 10, 2013.

You have requested to recomplete an existing well at an unorthodox well location described above, in the referenced pools. The downhole commingling of the pools has been approved by the district III under DHC-3758-AZ.

The location is governed by Order No. R-1882, as amended, for the Total-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 location of the existing well is greater than 150 feet from the center of Unit P (SE/4 SE/4).

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 a large initial "J" and "B".

Jami Bailey
Director

JB/prg

cc: New Mexico Oil Conservation Division – Aztec District Office
New Mexico State Land Office - Oil, Gas, and Minerals Division