

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



April 18, 2017

BP America Production Company
Attn: Ms. Toya Colvin

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7518

BP America Production Company
OGRID 778
Northeast Blanco Unit 604 Com Well No. 3H
API No. 30-045-35829

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1910' FNL & 587' FWL	E	13	31N	7W	San Juan
Penetration Point	2079' FSL & 812' FWL	L	13	31N	7W	San Juan
Final perforation	2064' FSL & 250' FEL	I	18	31N	6W	San Juan
Terminus	2063' FSL & 50' FEL	I	18	31N	6W	San Juan

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 of Section 13	320	Basin Mancos, Gas Pool	97232
S/2 of Section 18	320		

Reference is made to your application received on March 2, 2017.

You have requested to drill and produce this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by the Special Rules for the Basin Mancos Gas Pool, which provide for 320-acre units with wells to be located at least 660 feet from outer unit boundaries. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside project area.

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

It is our understanding that BP America Production Company is seeking this location to avoid stranding reserves in Section 13 and Section 18.

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 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approval is subject to you being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.


DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Aztec District Office
Bureau of Land Management – Farmington Field Office