

NSL - 817. A

Rec. 10/31/95  
Susp. NA  
Released 11/7/95

November 7, 1995

**BHP Petroleum (Americas) Inc.  
1360 Post Oak Boulevard  
Suite 1360  
Houston, Texas 77056-3020**

**Attention: Carl Kolbe**

*Administrative Order NSL-817-A*

Dear Mr. Kolbe:

Reference is made to your application dated September 21, 1995 for a non-standard Basin-Fruitland coal gas well location for your existing Gallegos Canyon Unit Well No. 272 (API No. 30-045-22240), which was drilled in 1976 and completed in the West Kutz-Pictured Cliffs Pool at an unorthodox gas well location for said Pictured Cliffs interval (approved by Division Administrative Order NSL-817, dated December 20, 1976), 1100 feet from the North line and 2200 feet from the West line (Unit C) of Section 33, Township 28 North, Range ~~8~~ 12 West, NMPM, San Juan County, New Mexico.

It is our understanding that the Pictured Cliffs interval will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal (Gas) Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool, as promulgated by Division Order No. R-8768, as amended, is also unorthodox.

It is our further understanding that said well is to be a replacement well for your Gallegos Canyon Unit Well No. 10 (API No. 30-045-07009), located at an unorthodox coal gas well location (approved by Division Administrative Order NSL-3138, dated July 28, 1992) 1980 feet from the South and West lines (Unit K) of said Section 33, which is currently dedicated to the W/2 of said Section 33 being a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Order No. R-8768, as amended, the above-described unorthodox coal gas well location for the Gallegos Canyon Unit Well No. 272 is hereby approved.

Sincerely,

*Administrative Order NSL-817-A*  
*BHP Petroleum (Americas) Inc.*  
*November 7, 1995*  
*Page 2*

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William J. LeMay  
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec  
U.S. Bureau of Land Management - Farmington  
File: NSL-817  
NSL-3138

**Mike Stogner**

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**From:** Ernie Busch  
**To:** Mike Stogner  
**Subject:** BHP PET. (AMERICAS) INC.(NSL)  
**Date:** Friday, October 13, 1995 2:46PM  
**Priority:** High

GALLEGOS UNIT #272  
1100' FNL; 2200' FWL  
C-33-28N-12W  
RECOMMEND: APPROVAL

## **Mike Stogner**

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**From:** Ernie Busch  
**To:** Mike Stogner  
**Subject:** FW: BHP PET. (AMERICAS) INC.(NSL)  
**Date:** Friday, October 13, 1995 2:56PM  
**Priority:** High

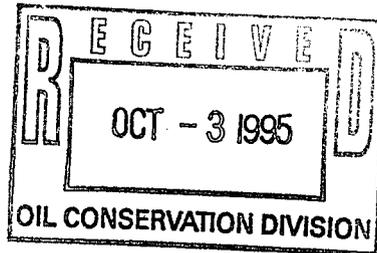
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From: Ernie Busch  
To: Mike Stogner  
Subject: BHP PET. (AMERICAS) INC.(NSL)  
Date: Friday, October 13, 1995 2:46PM  
Priority: High

GALLEGOS UNIT #272  
1100' FNL; 2200' FWL  
C-33-28N-12W  
RECOMMEND: APPROVAL IF GCU #10 IS PLUGGED OR RECOMPLETED TO ANOTHER ZONE.



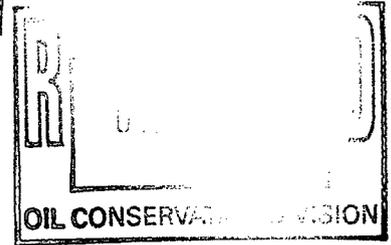
September 21, 1995

State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088  
Attn: **Michael Stogner**



Americas Division  
**BHP Petroleum**

Re: Non Standard Location , Administrative Approval Request  
Gallegos Canyon Unit #272  
NE/NW Section 33, T28N, R12W  
San Juan County, New Mexico



Gentlemen:

BHP Petroleum (Americas) Inc. respectfully requests that a non-standard location be approved to allow the GCU #272 to be recompleted in the Fruitland Coal formation. The well is located 1100' FNL and 2200' FWL of Section 33, T-28-N, R-12-W in San Juan County, New Mexico.

The non-standard location is being requested so that the present acreage that is dedicated to the GCU #10 can be rededicated to the GCU #272. The GCU #10 was recompleted in the Fruitland Coal in 1992 but was uneconomical to produce and is now temporarily abandoned.

No additional surface damage is expected.

BHP is the operator of all offsetting proration units.

If you have any questions, please contact me directly at (713) 961-8423.

Sincerely,  
*Carl Kolbe*  
Carl Kolbe  
Regulatory Affairs Representative

cc: Ernie Busch - OCD/Aztec, New Mexico

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

**SF 078903B**

6. If Indian, Allottee or Tribe Name

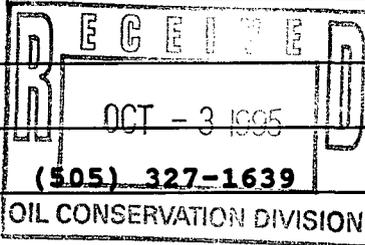
**SUBMIT IN TRIPLICATE**

7. If Unit or CA, Agreement Designation

**GALLEGOS CANYON UNIT**

1. Type of Well

Oil Well  Gas Well  Other



2. Name of Operator

**BHP PETROLEUM (AMERICAS) INC.**

8. Well Name and No.

**NO. 272**

3. Address and Telephone No.

**P.O. BOX 977 FARMINGTON, NEW MEXICO (505) 327-1639**

9. API Well No.

**30-045-22240**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**1100' FNL AND 2200' FWL  
NE/NW SEC.33, T28N, R12W**

10. Field and Pool, or Exploratory Area

**BASIN FRUITLAND COAL**

11. County or Parish, State

**SAN JUAN, NEW MEXICO**

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other _____	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

- 1.) Log well from casing shoe to surface to locate Fruitland Coal interval.
- 2.) Production test the Pictured Cliffs; if productive (25 MCF or more) set an RBP @ approximately 1,352'. If unproductive, set a CIBP @ same depth.
- 3.) Test casing and RBP or CIBP to 500 psi.
- 4.) Perforate the Fruitland Coal with 4 JSPP.
- 5.) Fracture stimulate w/a minimum of 40,000# of sand.

B.O.P.E. will consist of a 2000# preventor equipped w/pipe rams for the workstring, blind rams, and a non-rotating stripper head.

NON STANDARD SURFACE LOCATION APPROVAL IS BEING APPLIED FOR THROUGH THE NMCD.

14. I hereby certify that the foregoing is true and correct

**FRED LOWERY**

**MANAGER FIELD OPS.**

**09-14-95**

Signed \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

(This space for Federal or State office use)

Approved by \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Conditions of approval, if any:

District I  
 PO Box 1988, Hobbs, NM 88241-1988  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 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 10, 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

API Number 30-045-22240		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 2038	Property Name Gallegos Canyon Unit		Well Number 272
OGRID No. 2217	Operator Name BHP Petroleum (Americas) Inc.		Elevation 5680'

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
C	33	28N	12W		1100	North	2200	West	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Ductile 320	13 Acres N	14 Joint or Infill U	16 Consolidation Code U	18 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><i>Carl Kolbe</i> Signature</p> <p>Carl Kolbe Printed Name</p> <p>Regulatory Affairs Rep. Title</p> <p>9/27/95 Date</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</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Original on file</p> <p>Certificate Number</p>

**OIL CONSERVATION COMMISSION**

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 20, 1976

Energy Reserves Group  
P. O. Box 3280  
Casper, Wyoming 82601

Attention: Dean B. Barnes

Administrative Order NSL-817

Gentlemen:

Reference is made to your application for approval of non-standard locations for your GCU-PC Well No. 267 located 1960 feet from the North line and 1700 feet from the East line of Section 23; your GCU-PC Well No. 268 located 430 feet from the South line and 430 feet from the East line of Section 32; your GCU-PC Well No. 271 located 1400 feet from the South line and 2500 feet from the East line of Section 27; and your GCU-PC Well No. 272 located 1100 feet from the North line and 2200 feet from the West line of Section 33, all in Township 28 North, Range 12 West, NMPM, Kutz-Pictured Cliffs Pool, San Juan County, New Mexico.

By authority granted me under the provisions of Rule 104 F of the Commission Rules and Regulations, the above-described unorthodox location is hereby approved.

Very truly yours,

JOE D. RAMEY,  
Secretary-Director

JDR/JEK/dr

cc: Oil Conservation Commission - Aztec  
Oil & Gas Engineering Committee - Hobbs  
U. S. Geological Survey - Farmington



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



July 28, 1992

BRUCE KING  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

ANITA LOCKWOOD  
CABINET SECRETARY

**BHP Petroleum (Americas) Inc.**  
5847 San Felipe - Suite 3600  
Houston, Texas 77057

Attention: Carl Kolbe

*Administrative Order NSL-3138*

Dear Mr. Kolbe:

Reference is made to your application dated December 12, 1991 for a non-standard Basin-Fruitland coal gas well location for your existing Gallegos Canyon Unit Well No. 10 which was drilled in 1953 and completed in the West Kutz - Pictured Cliffs Pool at a standard gas well location (pursuant to the Special Pool Rules applicable at the time under Division Order No. R-566) 1980 feet from the South and West lines (Unit K) of Section 33, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, is unorthodox. Further, the W/2 of said Section 33 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY  
Director

WJL/MES/jc

cc: Oil Conservation Division - Aztec  
U.S. BLM - Farmington

Sec : 33 Twp : 28N Rng : 12W Section Type : NORMAL

D 40.00  Indian owned U A	C 40.00  Indian owned U A	B 40.00  Indian owned U	A 40.00  Indian owned U A A
E 40.00  Indian owned U	F 40.00  Indian owned U	G 40.00  Indian owned U	H 40.00  Indian owned U

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

Sec : 33 Twp : 28N Rng : 12W Section Type : NORMAL

L 40.00  Indian owned U	K 40.00  Indian owned U A	J 40.00  Indian owned U	I 40.00  Indian owned U A A
M 40.00  Indian owned U	N 40.00  Indian owned U A	O 40.00  Indian owned U	P 40.00  Indian owned U

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12