



NSL-943

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

October 25, 2005

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

BP America Production Company
P. O. Box 3092
Houston, Texas 77253-3092

Attention: **Cherry Hlava**
hlavacl@bp.com

Administrative Order NSL-943-A

Dear Ms. Hlava:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-528643798*) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on October 4, 2005; and (ii) the Division's records in Santa Fe and Aztec, including the file on Division Administrative Order NSL-943: all concerning BP America Production Company's ("BP") request for an unorthodox wildcat Chacra gas well location for the existing Hughes "C" Well No. 6-A (API No. 30-045-23110), located 2355 feet from the North line and 2040 feet from the West line (Unit F) of Section 33, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico. The NW/4 of Section 33 is to be dedicated to this well in order to form a standard 160-acre gas spacing unit in the Chacra formation.

This application has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

By Division Administrative Order NSL-943, dated May 22, 1978, El Paso Natural Gas Company received authorization to drill to and complete the above-described Hughes "C" Well No. 6-A in the Blanco-Mesaverde Pool (72319) at an unorthodox infill gas well location within a standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of Section 33.

It is the Division's understanding that BP now indents to perforate the Chacra interval and ~~recomplete this well such that gas production from both the Mesaverde and Chacra formations will be downhole commingled.~~

The location of this well is also considered to be unorthodox for wildcat Chacra gas production pursuant to Division Rule 104.C (3).

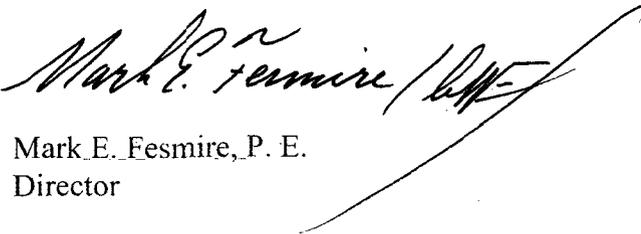
October 25, 2005

Page 2

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox wildcat Chacra gas well location for BP's Hughes "C" Well No. 6-A within the proposed 160-acre gas spacing unit comprising the NW/4 of Section 33 is hereby approved.

Further, the provisions of Division Order NSL-943 shall remain in full force and affect until further notice.

Sincerely,



Handwritten signature of Mark E. Fesmire in cursive script.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
File: NSL-943