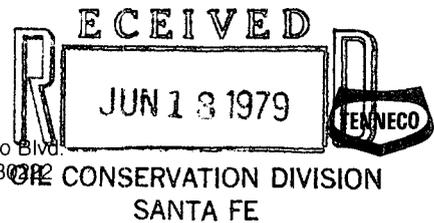


Tenneco Oil
A Tenneco Company

Penthouse
720 South Colorado Blvd.
Denver, Colorado 80202
(303) 758-7130



NEW MEXICO CONSERVATION DIVISION
SANTA FE

CERTIFIED MAIL

Return Receipt Requested

June 8, 1979

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501
Attention: Mr. Joe D. Ramey

New Mexico Oil Conservation Division
Brazos Road
Aztec, New Mexico 87401
Attention: Mr. A. R. Kendrick

RE: Application for Unorthodox Location
Tenneco Archuleta #2
Proposed Pictured Cliffs Gas Well
San Juan County, New Mexico

NSL-1053
Rule 10# F
Immediate
July 8, 1979

Gentlemen:

Blank Pictured Cliffs Gas Pool

Attached in duplicate are a well location plat C-102 with the topography indicated plus an ownership plat for the above captioned Pictured Cliffs gas well.

The proposed site for the Archuleta #2 is located 450' FNL and 850' FWL, Sec. 19-T30N-R8W, San Juan County, New Mexico. This places the well 450' from the boundary line of the proration unit. This was the only feasible location due to topographical conditions as shown on the map.

A copy of this application is being submitted to all offset operators by Certified Mail with a request that they furnish your Santa Fe office with a Waiver Objection.

Pursuant to authority of Rule 104-F, we respectfully request your approval of an exception to the standard well location requirements.

Very truly yours,

TENNECO OIL COMPANY


J. M. Lacey
Division Production Manager

JML/plw
Enclosures

WAIVER

_____ hereby waives objection to Tenneco Oil Company's application for the unorthodox location of their Archuleta #2 as proposed above.

By: _____

Date: _____

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

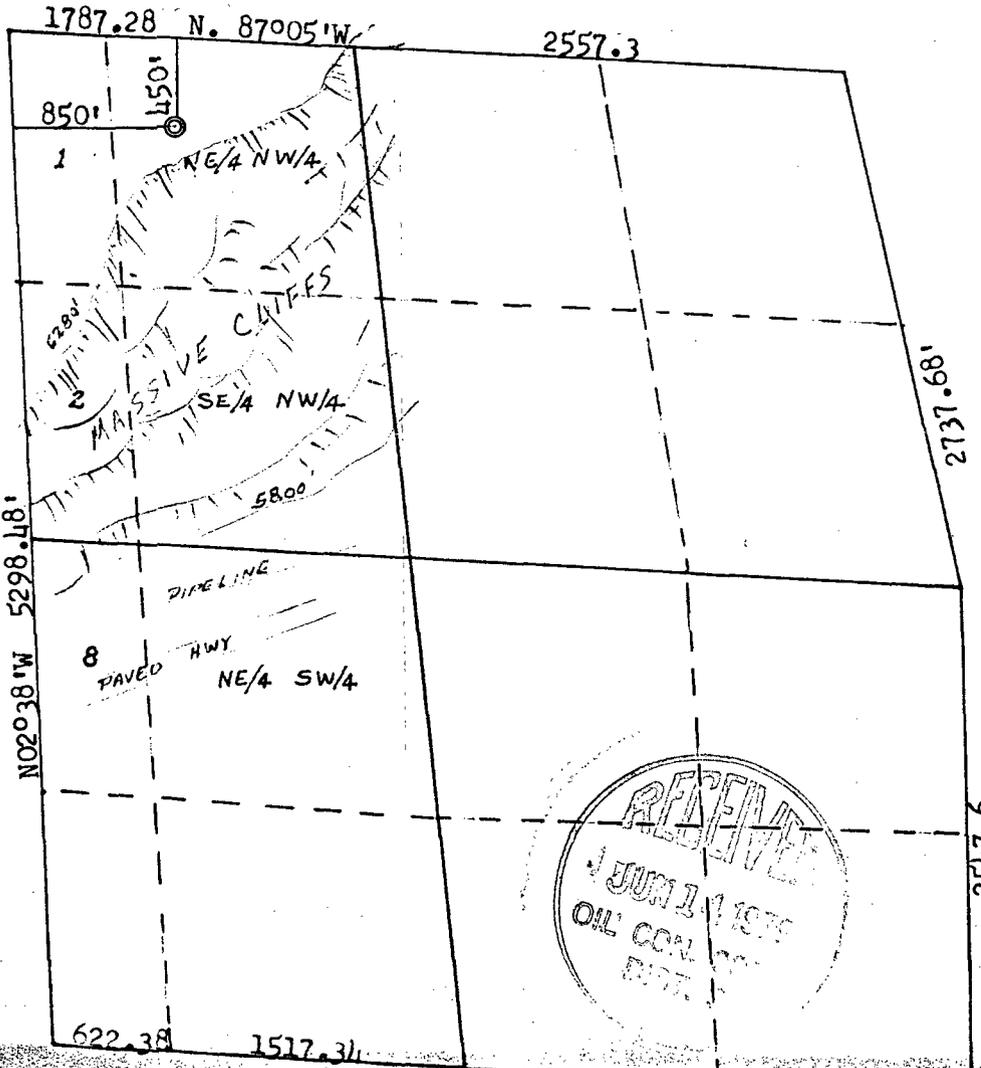
Operator TENNECO OIL COMPANY			Lease ARCHULETA		Well No. 2
Unit Letter C	Section 19	Township 30N	Range 8W	County San Juan	
Actual Footage Location of Well: 450 feet from the North line and 850 feet from the West line					
Ground Level Elev: 6268	Producing Formation Pictured Cliffs		Pool	Dedicated Acreage: 169.64 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *J. A. Rush*
Position
Environmental Coordinator
Company
Tenneco Oil Company

Date
June 11, 1979

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 knowledge and belief.

Date Surveyed
REGISTERED 4979
REGISTERED PROFESSIONAL ENGINEER
and Land Surveyor
J. A. Rush
Area Engineer
Certificate No.
3950
N.M. REG. 15.

Scale: 1"=1000'

2614.32



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

June 14, 1979

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2098
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Tenneco Oil Company
720 South Colorado Blvd.
Denver, Colorado 80222

Re: Application for Non-Standard
Location: Archuleta Well No. 2,
450' FNL and 850' FWL of Sec. 19,
T-30-N, R-8-W, San Juan County

We may not process the subject application for non-standard location until the required information or plats checked below (is) (are) submitted.

- A plat must be submitted clearly showing the ownership of the offsetting leases.
- A statement must be submitted that offset owners have been notified of the application by certified mail.
- A plat must be submitted fully identifying the topography necessitating the non-standard location.
- Other:

Very truly yours,

R. L. STAMETS
Technical Support Chief

RLS/dr

OIL CONSERVATION COMMISSION
Central DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE June 14, 1979

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Dick Stanets

Gentlemen:

I have examined the application dated June 8, 1979
for the Tenneco Oil Co. Archuleta #2 C-19-30N-80
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

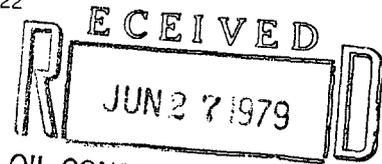
RECEIVED
JUN 19 1979
OIL CONSERVATION DIVISION
SANTA FE

Yours very truly,

AK Kendrick

Tenneco Oil
A Tenneco Company

Penthouse
720 South Colorado Blvd.
Denver, Colorado 80222
(303) 758-7130



June 25, 1979

Mr. R. L. Stamets
Technical Support Chief
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Application for Non-Standard
Location - Archuleta #2
Section 19, T30N, R8W
San Juan County, New Mexico

Dear Mr. Stamets:

Per your request in your letter, dated June 14, 1979,
please find enclosed two copies of the plat showing
ownership of offsetting leases to the captioned well.

If you have any questions or desire additional information
please contact this office.

Yours very truly,

TENNECO OIL COMPANY

A handwritten signature in cursive script that reads "J. A. Rush".

J. A. Rush
Environmental Coordinator

Enclosures

JAR/klf



NSL-1053

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

February 18, 2004

Lori Wrotenberg

Director

Oil Conservation Division

BP America Production Company
P. O. Box 3092
Houston, Texas 77253-3092**Attention: Mary Corley**
corleym@bp.com*Administrative Order NSL-1053-A*

Dear Ms. Corley:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on January 29, 2004 (*administrative application reference No. pLR0-402949228*); (ii) the Division's initial response by e-mail from Mr. Michael E. Stogner, Hearing Officer/Engineer with the Division in Santa Fe, requesting additional information; (iii) your reply to Mr. Stogner by e-mail on Friday, February 6, 2004; and (iv) the Division's records in Santa Fe and Aztec, including the files on Division Administrative Orders NSL-1053, NWU-352, and NSL-830, as amended, and Division Cases No. 236, 258, 300, 606 and 4032: all concerning BP America Production Company's ("BP") request for an exception to the well location requirements provided within the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002, for BP's existing Archuleta Well No. 2 (API No. **30-045-23607**), to be redesignated the Archuleta Well No. 1-C, located 450 feet from the North line and 850 feet from the West line (Unit C) of Irregular Section 19, Township 30 North, Range 8 West, NMPM, Blanco-Mesaverde Pool (**72319**), San Juan County, New Mexico.

It is the Division's understanding that Tenneco Oil Company drilled the above-described Archuleta Well No. 2 to a total depth of 3,148 feet in 1979 and completed this well in the Blanco-Pictured Cliffs Pool (**72359**) at an unorthodox gas well location (approved by Division Administrative Order NSL-1053, dated July 9, 1979) within a non-standard 169.64-acre gas spacing unit comprising Lots 1, 2, and 8, the E/2 NW/4, and the NE/4 SW/4 of Irregular Section 19 (approved by Division Order No. R-3669, issued in Case No. 4032 on January 30, 1969).

It is further understood that BP now intends to recomplete the Archuleta Well No. 2 by plugging-off and abandoning the Pictured Cliffs interval, and deepening the wellbore down to the Mesaverde formation.

The Blanco-Mesaverde gas production from this well is to be included within an existing non-standard 342.54-acre stand-up gas spacing and proration unit ("GPU") comprising Lots 1, 2, 8, and 9 and the E/2 W/2 (W/2 equivalent) of Irregular Section 19 and Lots 2 and 6 and the E/2 NW/4 (NW/4 equivalent) of Irregular Section 30, both in Township 30 North, Range 8 West, NMPM, San Juan County, New Mexico [approved by: (i) Division Order No. R-35, issued in Case No. 236 on December 1, 1950; (ii) Division Order No. R-60, issued in Case No. 258 on March 21, 1951; (iii) Division Order No. R-120, issued in Case No. 300 on January 8, 1952; (iv) Division Order No. R-392, issued in Case No. 606 on November 24, 1953; and (v) Division Administrative Order NWU-352, dated April 20, 1960], which GPU is currently dedicated to BP's: (i)

Archuleta Well No. 1 (API No. 30-045-09279), located at a standard gas well location 1000 feet from the South line and 1080 feet from the West line (Unit N) of Irregular Section 19; (ii) Archuleta Well No. 1-A (API No. 30-045-22567), located at an unorthodox infill gas well location (approved by Division Administrative Order NSL-830, dated March 28, 1977, as amended by order dated June 13, 1977) 2134 feet from the North line and 1640 feet from the West line (Unit F) of Irregular Section 19; and (iii) Archuleta Well No. 1-B (API No. 30-045-29261), located at a standard infill gas well location 980 feet from the North line and 1230 feet from the West line (Unit C) of Irregular Section 30.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Blanco-Mesaverde Pool.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Blanco-Mesaverde infill gas well location for the existing Archuleta Well No. 2 (API No. 30-045-23607), to be redesignated the Archuleta Well No. 1-C, is hereby approved. Further, all four of the aforementioned Archuleta Wells No. 1, 1-A, 1-B, and 1-C, and existing non-standard 342.54-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Furthermore, Division Administrative Order NSL-1053 and only the provisions that approved the aforementioned 169.64-acre non-standard Pictured Cliffs gas spacing unit on Page 4 in Division Order No. R-3669 in Case No. 4032 shall be placed in abeyance until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Division Administrative Order NSL-1053
Division Administrative Order NWU-352
Division Case No. 236
Division Case No. 258
Division Case No. 300
Division Case No. 606
Division Case No. 4032



NSL-1053

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

May 28, 2004

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

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

Attention: **Mary Corley**
corleyml@bp.com

Administrative Order NSL-1053-B

Dear Ms. Corley:

Reference is made to the following: (i) your application dated April 19, 2004 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe on April 26, 2004 (*administrative application reference No. pMES0-414136198*); and (ii) the Division's records in Santa Fe and Aztec, including the files on Division Administrative Orders NSL-1053, NSL-1053-A, NWU-352, and NSL-830, as amended, and Division Cases No. 236, 258, 300, 606 and 4032: all concerning BP America Production Company's ("BP") request:

(a) for an exception to the well location requirements provided within the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002, for an unorthodox infill gas well location to be drilled within an existing gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool (72319), San Juan County, New Mexico; and

(b) to cancel and void Division Administrative Order NSL-1053-A, dated February 18, 2004, which order authorized BP to recomplete its existing Archuleta Well No. 2 (API No. 30-045-23607) at an unorthodox infill Mesaverde gas well location 450 feet from the North line and 850 feet from the West line (Unit C) of Irregular Section 19, Township 30 North, Range 8 West, NMPM, San Juan County, New Mexico.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Blanco-Mesaverde Pool.

Blanco-Mesaverde gas production within the existing non-standard 342.54-acre stand-up gas spacing and proration unit ("GPU") comprising Lots 1, 2, 8, and 9 and the E/2 W/2 (W/2 equivalent) of Irregular Section 19 and Lots 2 and 6 and the E/2 NW/4 (NW/4 equivalent) of Irregular Section 30, both in Township 30 North, Range 8 West, NMPM, San Juan County, New Mexico [approved by: (i) Division Order No. R-35, issued in Case No. 236 on December 1, 1950; (ii) Division Order No. R-60, issued in Case No. 258 on March 21, 1951; (iii) Division Order No. R-120, issued in Case No. 300 on January 8, 1952; (iv) Division Order No. R-392, issued in Case No. 606 on November 24, 1953; and (v) Division Administrative Order NWU-352, dated April

20, 1960], is currently dedicated to BP's: (i) Archuleta Well No. 1 (API No. 30-045-09279), located at a standard gas well location 1000 feet from the South line and 1080 feet from the West line (Unit N) of Irregular Section 19; (ii) Archuleta Well No. 1-A (API No. 30-045-22567), located at an unorthodox infill gas well location (approved by Division Administrative Order NSL-830, dated March 28, 1977, as amended by order dated June 13, 1977) 2134 feet from the North line and 1640 feet from the West line (Unit F) of Irregular Section 19; and (iii) Archuleta Well No. 1-B (API No. 30-045-29261), located at a standard infill gas well location 980 feet from the North line and 1230 feet from the West line (Unit C) of Irregular Section 30.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled as an unorthodox Blanco-Mesaverde infill gas well within this 342.54-acre non-standard GPU is hereby approved:

Archuleta Well No. 1-C
355' FNL & 960' FWL (Unit C) of Irregular Section 19.

Further, all three of the aforementioned Archuleta Wells No. 1, 1-A, and 1-B, BP's proposed Archuleta Well No. 1-C, and existing non-standard 342.54-acre Mesaverde GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

This order supersedes Division Administrative Order NSL-1053-A, which order shall be placed in abeyance in its entirety until further notice.

Sincerely,



Michael E. Stogner
Engineer/Hearing Officer

MS/mes

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: Division Administrative Order NSL-1053
Division Administrative Order NSL-1053-A
Division Administrative Order NWU-352
Division Case No. 236
Division Case No. 258
Division Case No. 300
Division Case No. 606
Division Case No. 4032