

Release Date: April 11, 1988

B4 DRC

Suite 600
5613 DTC Parkway
Englewood, Colorado 80111
Telephone (303) 850-9090
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RECEIVED
MAR 21 1988
STATE OF NEW MEXICO
SANTA FE

March 14, 1988



State of New Mexico
Oil & Gas Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Request for Approval
Unorthodox Well Location
Gallegos Canyon Unit
San Juan County, New Mexico

NSL-2498
RULE-104 F(I)
West Butte Pictured Cliffs
Pool
160 Acres dtd
NW14 Sec 26

Gentlemen:

BHP Petroleum (Americas) Inc. respectfully requests approval of the below referenced unorthodox well location based on topographical conflicts.

Gallegos Canyon Unit No. 368
975' FNL, 1925' FWL
Sec. 26, T28N, R12W
San Juan County, New Mexico
Federal Lease No. SF-078904

It is proposed to drill the subject well to test the Pictured Cliffs formation at a depth of 1695'. The wellsite is located on Navajo Agricultural Products Industry land. The original proposed location falls in a production pit associated with Amoco's well No. 83-E which produces from the Dakota formation.

We would appreciate your consideration in reviewing this request.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC.

Chuck Williams
Administrator, Field Services
Rocky Mountain Region

CW:gb

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.

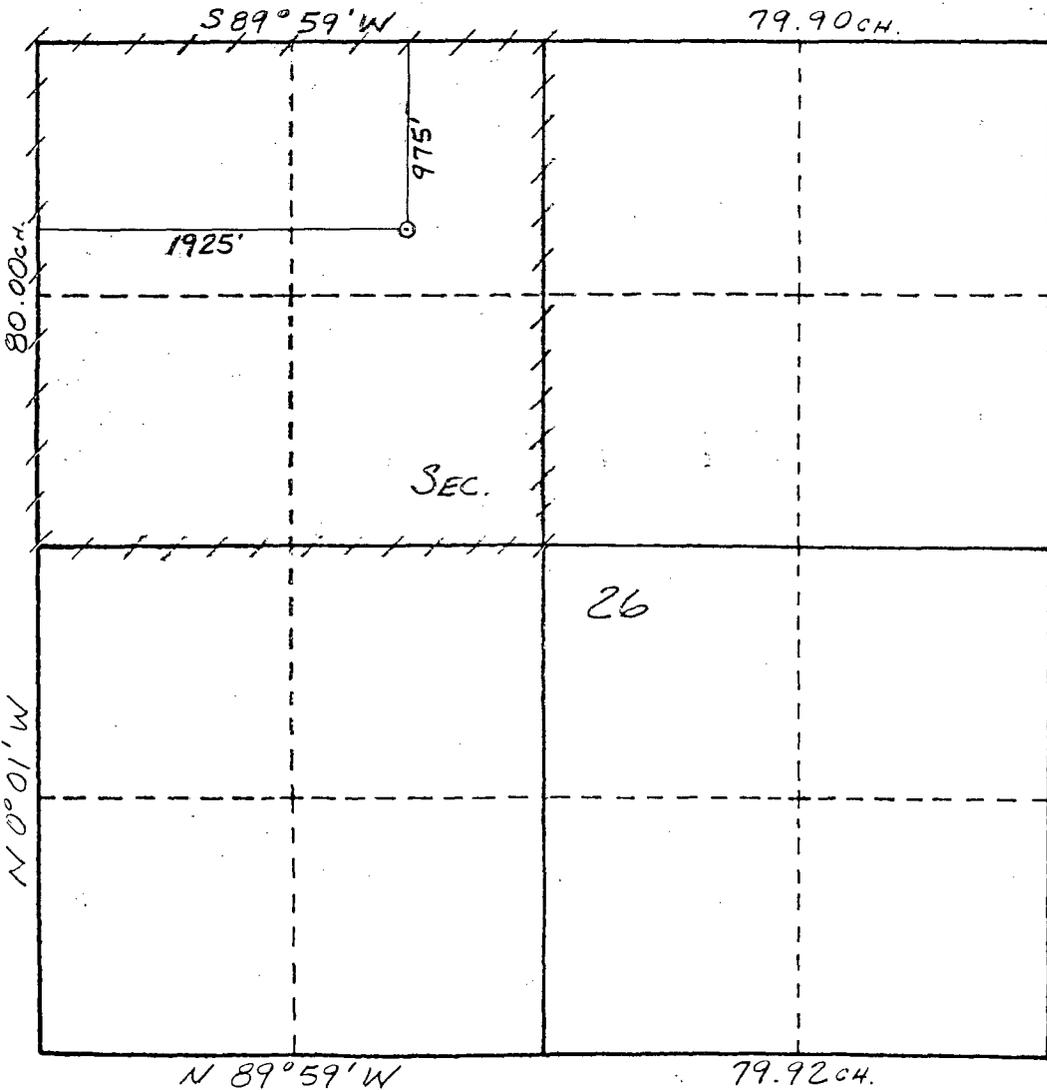
Operator BHP PETROLEUM (AMERICAS) INC.		Lease GALLEGOS CANYON UNIT			Well No. 368
Unit Letter C	Section 26	Township 28 N	Range 12 W	County SAN JUAN	
Actual Footage Location of Well: 975 feet from the NORTH line and 1925 feet from the WEST line					
Ground Level Elev. 5783	Producing Formation Pictured Cliffs		Pool W. Kutz Pictured Cliffs	Dedicated Acreage: 160 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 unitization

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 Chuck Williams
Chuck Williams

Position
Administrator, F.S.

Company
BHP Petroleum (Americas)

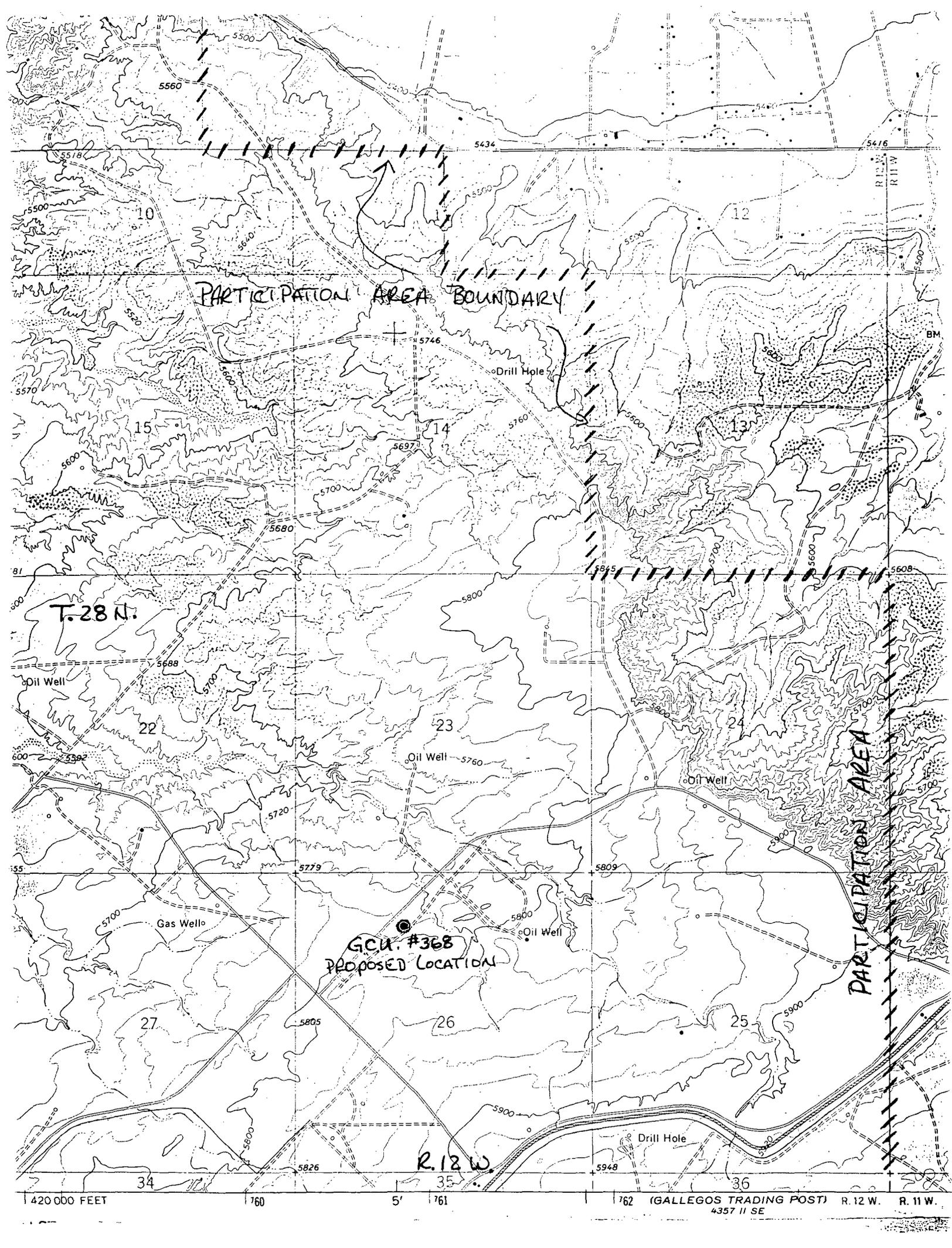
Date
03/03/88

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 2-18-88
William R. Mahrke, L.S.

Registered Professional Engineer and Land Surveyor

Certificate No. 8466



PARTICIPATION AREA BOUNDARY

PARTICIPATION AREA

T. 28 N.

R. 12 W.

GCU #368
PROPOSED LOCATION

(GALLEGOS TRADING POST) R. 12 W. R. 11 W.

420 000 FEET

4357 11 SE



March 16, 1988

Amoco Production Company
501 Airport Drive
Farmington, New Mexico 87401

RE: Notification of Proposed Unorthodox
Well Location
Gallegos Canyon Unit
San Juan County, New Mexico

Gentlemen:

Please consider this letter as notice that BHP Petroleum (Americas) Inc. proposes to drill the below listed unorthodox well location.

Gallegos Canyon Unit No. 368
975' FNL, 1925' FWL
Section 26, T28N, R12W
San Juan County, New Mexico

The subject well is to be drilled to test the Pictured Cliffs formation at a depth of 1695'. In accordance with the New Mexico Oil Conservation Division we are requesting your waivers of this well site due to topographical conflicts. The wellsite is located on NAPI land. The area is surrounded by several obstacles which influenced the placement of the well. Your well No. 83-E is immediately south, NAPI cultivated land lay immediately to the east and north and a road lays immediately to the west.

We would very much appreciate your consideration of this request. If you have no objections, please notify the Oil Conservation Division as soon as convenient. If you do have any objection, please let me know and also, enter an objection to the Oil Conservation Division within 20 days of receipt of this letter.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC.

A handwritten signature in cursive script that reads "Chuck Williams".

Chuck Williams
Administrator, Field Services
Rocky Mountain Region

CW:gb



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 4-5-88

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

RECEIVED
APR - 6 1988
OIL CONSERVATION DIVISION
SANTA FE

Gentlemen:

I have examined the application dated 3-18-88
for the BHP PETROLEUM Operator G.C.U. #368 Lease and Well No. C-26-28N-12W Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

[Signature]