

5847 San Felipe Suite 3600
Houston, Texas 77057
Telephone: (713) 780-5000
FAX (713) 780-5273
Telex 9108813603

September 17, 1991



State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: Unorthodox Location, Administrative Approval Request
Gallegos Canyon Unit #521

RECEIVED
SEP 19 1991
OIL CON. DIV
DIST. 3

Gentlemen:

BHP Petroleum respectfully requests that a non-standard location be administratively approved to allow the GCU #521 well to be drilled 1613' FSL and 584' FWL to be completed in the Pictured Cliffs formation.

The non-standard location is requested due to topographical reasons. A standard location would interfere with residential dwellings and farm land.

The subject location is immediately adjacent to the existing Amoco well location #93 E producing from the Dakota Formation.

For both economical and mechanical reasons BHP does not think that directionally drilling the proposed well to a standard location is feasible. Economically it is not feasible based on the extra expense of drilling a directional hole compared to the anticipated production. Our experience has shown that a rod pump will have to be installed to remove excess water from the well bore and a directionally drilled hole would greatly hinder or prohibit that.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Carl Kolbe".

Carl Kolbe
Regulatory Affairs Coordinator
(713) 780-5301

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer RD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☒FEE ☐

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Well:

DRILL ☒RE-ENTER ☐DEEPEN ☐PLUG BACK ☐

b. Type of Well:

OIL WELL ☐ GAS WELL ☒ OTHER ☐SINGLE ZONE ☒MULTIPLE ZONE ☐

7. Lease Name or Unit Agreement Name

Gallegos Canyon Unit

2. Name of Operator

BHP Petroleum (Americas), Inc.

8. Well No.

521

3. Address of Operator

5847 San Felipe, Suite #3600 Houston, Texas 77057

9. Pool name or Wildcat

W. Kutz Pictured Cliffs

4. Well Location

Unit Letter L ; 1613 Feet From The South Line and 584 Feet From The West Line

Section 36

Township 29N

Range 12W

NMPM

San Juan

County

10. Proposed Depth

1550'

11. Formation

Pictured Cliffs

12. Rotary or C.T.

Rotary

13. Elevation (Show whether DP, RT, GR, etc.)

5393 GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Unknown

16. Approx. Date Work will start

As soon as approved

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
8 3/4"	7"	20#	140'	50	Surface
6 1/4"	4 1/2"	10.5#	1550'	230	Surface

It is proposed to drill the subject well to 1550' with the primary production anticipated in the Pictured Cliffs formation:

Estimated Formation Tops:

Ojo Alamo	96'
Kirtland Sh	251'
Fruitland Fm	1085'
Upper Fruitland Coal	1178'
Basal Fruitland Coal	1379'
Pictured Cliffs	1380'
TD	1550'

B.O.P.E. will consist of a 2000# Reagan bladder type preventor, pipe rams and blind ram B.O.P.E.

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OIL CON. DIV.
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

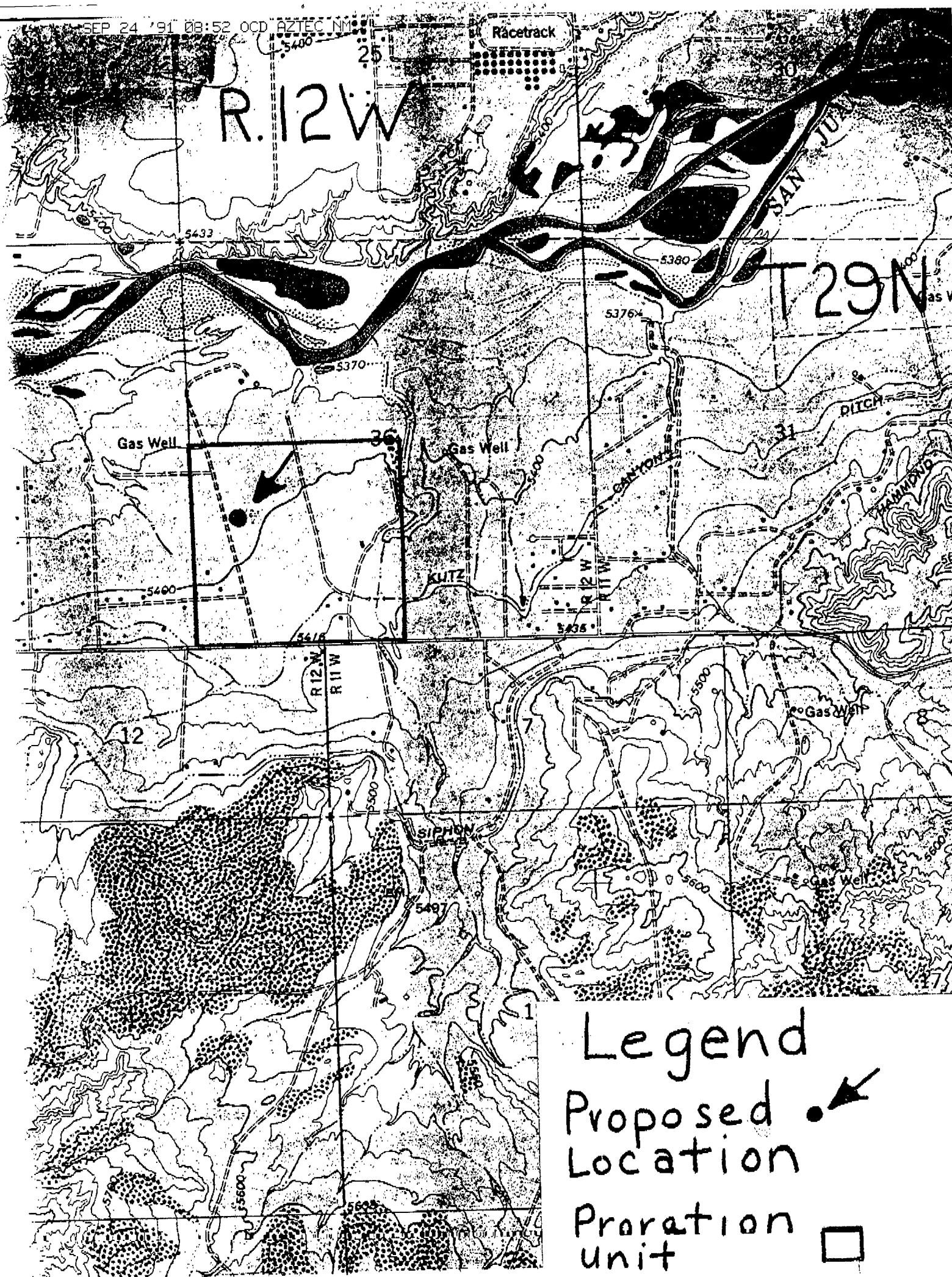
SIGNATURE Carl Kolbe TITLE Regulatory Affairs Coordinator DATE 9/17/91

TYPE OR PRINT NAME Carl Kolbe TELEPHONE NO. (713) 780-5301

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

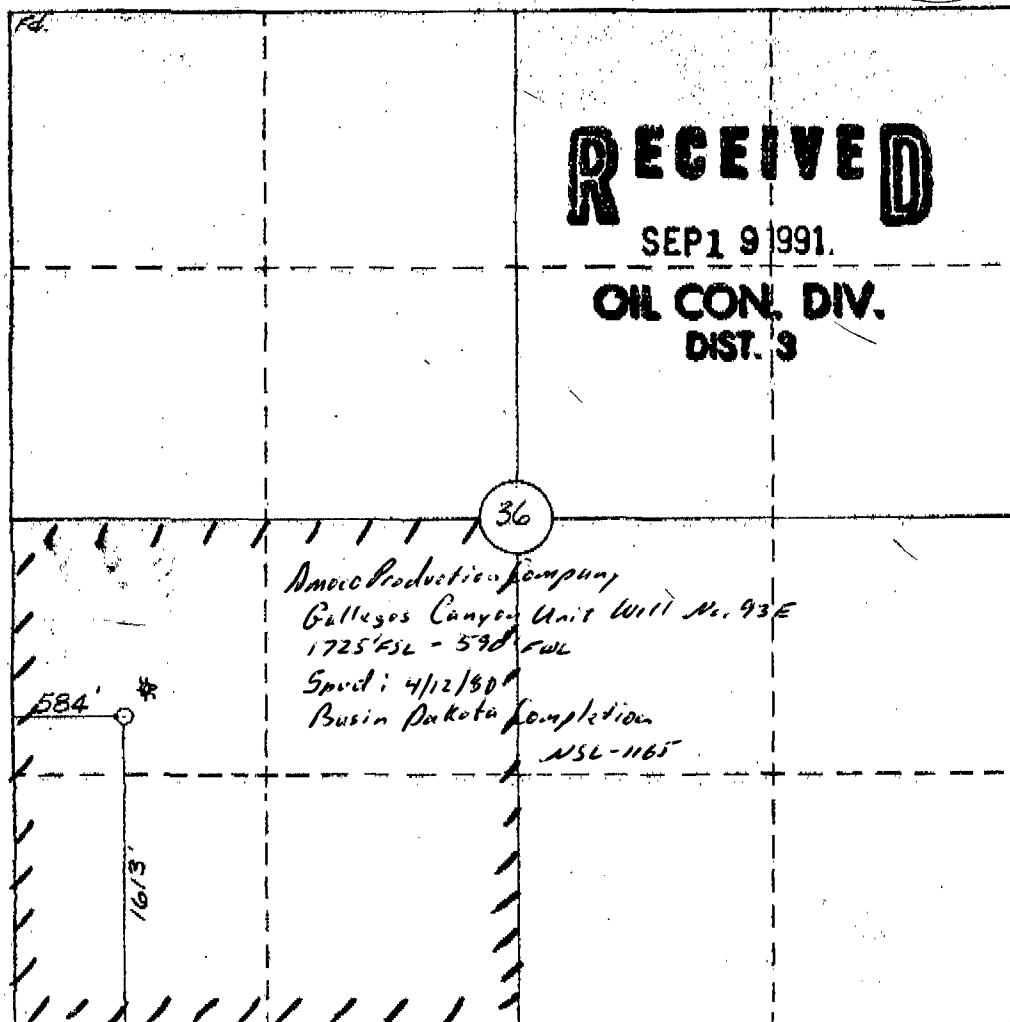
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BHP PETROLEUM (AMERICAS) INC.		Lease GALLEGOS CANYON UNIT		Well No. 521
Unit Letter L	Section 36	Township 29 N	Range 12 W	County San Juan
Actual Footage Location of Well: 1613 feet from the South line and 584 feet from the West line				
Ground level Elev. 5393	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 hatchure 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 interest 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, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.				

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600



OPERATOR CERTIFICATION

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

Signature: *Carl Kalbe*
Printed Name: _____
Position: **Regulatory Affairs Coordinator**
Company: **BHP Petroleum (Americas), Inc.**
Date: **09/16/91**

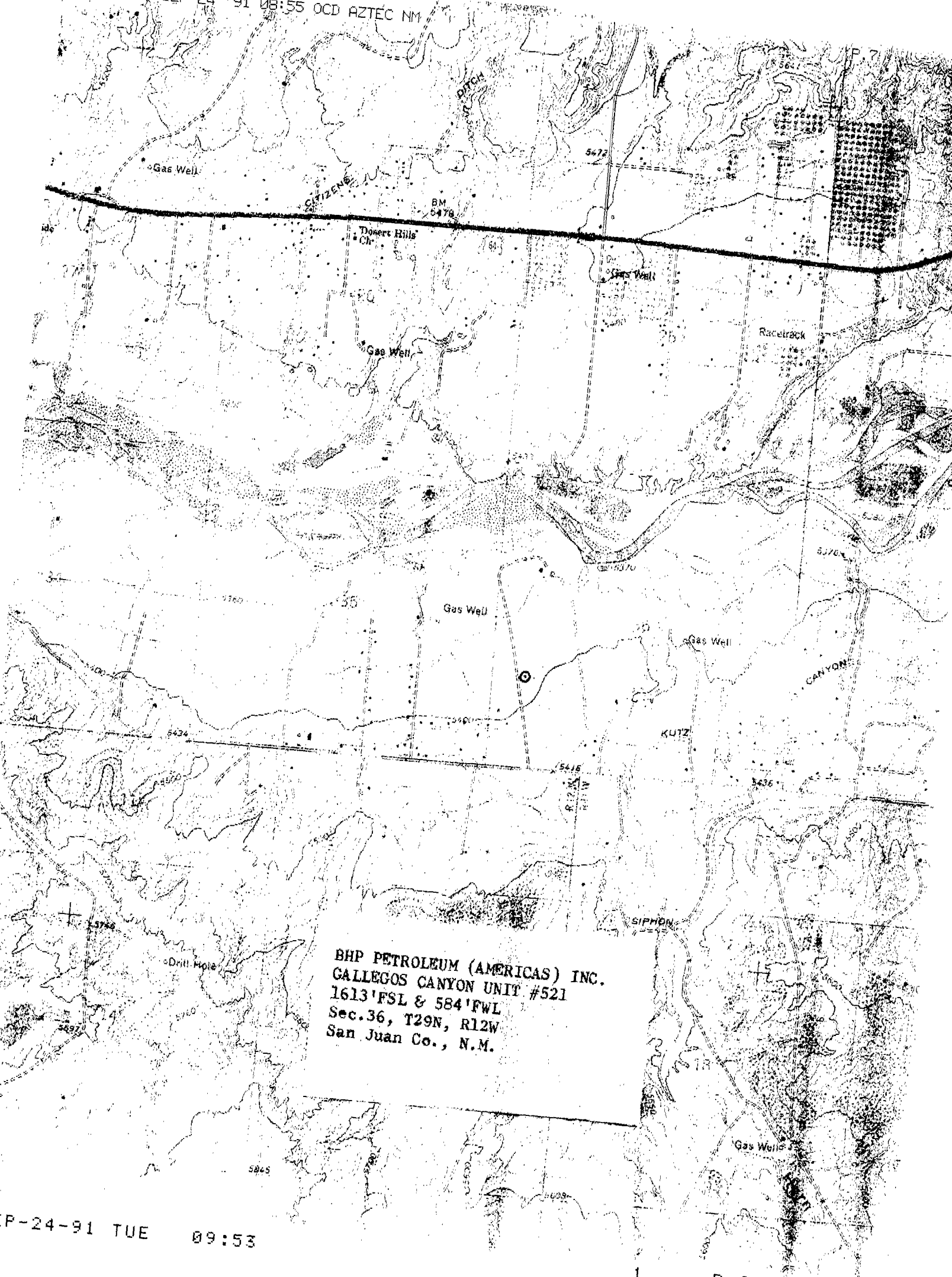
SURVEYOR CERTIFICATION

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.

8-28-91
Date Surveyed: _____
Signature: *William E. Mahoney II*
Professional Surveyor
Certificate No. **#8466**
State of New Mexico

☉ 43E

P. 06



BHP PETROLEUM (AMERICAS) INC.
GALLEGOS CANYON UNIT #521
1613'FSL & 584'FWL
Sec.36, T29N, R12W
San Juan Co., N.M.