



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

December 23, 1993

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

BCO, Inc.
135 Grant
Santa Fe, NM 87501

Attention: Rick Wilcox

RE: Application to Amend Division Administrative Order NSL-3183.

Dear Mr. Wilcox:

On October 22, 1992, the Division issued Administrative Order NSL-3183, which authorized the drilling of BCO's Federal "B" Well No. 13 at an unorthodox oil well location 885 feet from the South line and 1158 feet from the East line (Unit P) of Section 22, Township 23 North, Range 7 West, NMPM, to test the Undesignated Lybrook Gallup Oil Pool, Sandoval County, New Mexico.

Your application dated December 3, 1993 for a different location for the Federal "B" Well No. 13 makes no reference to the previously approved location nor any reason for moving this well from the originally proposed location.

Please submit a discussion explaining what factors have occurred between October 22, 1992 and December 3, 1993 to cause BCO to abandon its original plan to locate the Federal "B" Well No. 13 in the western edge of the subject 40-acre tract comprising the SE/4 SE/4 of said Section 22 to its northern edge.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
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ANITA LOCKWOOD
CABINET SECRETARY

December 29, 1993

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

BCO, Inc.
135 Grant Avenue
Santa Fe, NM 87501

Attention: Rick Wilcox

Amended Administrative Order NSL-3183

Dear Mr. Wilcox:

Reference is made to your application dated December 3, 1993 to change the location of your proposed Federal "B" Well No. 13 from the previously approved unorthodox oil well location, in the Undesignated Lybrook Gallup Oil Pool, of 885 feet from the South line and 1158 feet from the East line (Unit P) of Section 22, Township 23 North, Range 7 West, NMPM, Sandoval County, New Mexico, to another non-standard oil well location that is 1195 feet from the South line and 445 feet from the East line (also in Unit P) of said Section 22.

By the authority granted me under the provisions of General Rule 104.F.(1) the above-described unorthodox oil well location is hereby approved.

All other provisions of the original Administrative Order NSL-3183, dated October 22, 1992, shall remain in full force and effect until further notice.

Sincerely,

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

William J. LeMay
Director

WJL/MES/amg

BCO, INC.

MAIN OFFICE
135 GRANT
SANTA FE, NM 87501
(505) 983-1228

FIELD OFFICE
ROUTE 4
NAGEEZI, NM 87037
(505) 568-4420

December 23, 1993

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

RE: Application to Amend Division Administrative Order NSL-3183

Dear Mr. Stogner:

The Bureau of Land Management approval for the drilling of the BCO, INC. Federal "B" Well Number 13 at an unorthodox well location 885 feet from the South line and 1158 feet from the East line (Unit P) expired October 27, 1993. The BCO, INC. Federal "B" Well Number 13 was re-staked at an unorthodox well location 1195 feet from the South line and 445 from the East line (Unit P).

The well was positioned to entirely avoid Ponderosa Pine Trees. The removal of the trees was and still is objectionable to the Bureau of Land Management. As stated in both NSL applications, topography, economics and Ponderosa Pine Trees prohibit an orthodox location.

Sincerely,



Rick Wilcox
Senior Field Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-043-20882

OIL CONSERVATION DIVISION
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APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK **DRILL** **DEEPEN** **PLUG BACK**
 b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
BCO, Inc.

3. ADDRESS OF OPERATOR
135 Grant Avenue, Santa Fe, New Mexico 87501

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 885' FSL x 1158' FEL
 At proposed prod. zone
 885' FSL x 1158' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
1.5 miles South of Lybrook

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
2080

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
5800

20. ROTARY OR CABLE TOOLS
Rotary Tools

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 GL: 7231' KB: 7243'
(This section is subject to technical and procedural review pursuant to 43 CFR 210.1-6 and 210.1-7)

22. APPROX. DATE WORK WILL START*
01 January 1993

23. PROPOSED CASING AND CEMENTING PROGRAM				DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED GENERAL REQUIREMENTS	
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
12.250	8.625"	24#	360'	275 Sacks	
7.875	4.500	11.6#	5800'	689 Sacks	

Operator plans to drill from the surface through the base of the Gallup Formation. If determined productive, production casing will be set and cemented. Potentially productive zones will be opened and stimulated as necessary.

Exhibits

- A - Location Plat (OCD form 102)
- B - Ten Point Compliance Plan-Operations
- C - Blowout Preventer Diagram
- D - Multi-Point Requirements Program
- E - Topography Map Showing Roads
- F - Drilling Rig Layout
- G - Completion Rig Layout
- H - Location Profile Plat
- I - Facilities Layout
- J - R/W Land Use Plat

RECEIVED
OCT 29 1992

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED: [Signature] TITLE: Petroleum Engineer DATE: 10 SEPTEMBER 1992

(This space for Federal or State office use)

APPROVED AS AMENDED

PERMIT NO. _____ APPROVAL DATE: SEP 27 1992

APPROVED BY: _____ TITLE: AREA MANAGER DATE: _____

*** Note: A Form 2800-14 signed in blank accompanies Original APD.

NSL-3183

*See Instructions On Reverse Side

NMOCD

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

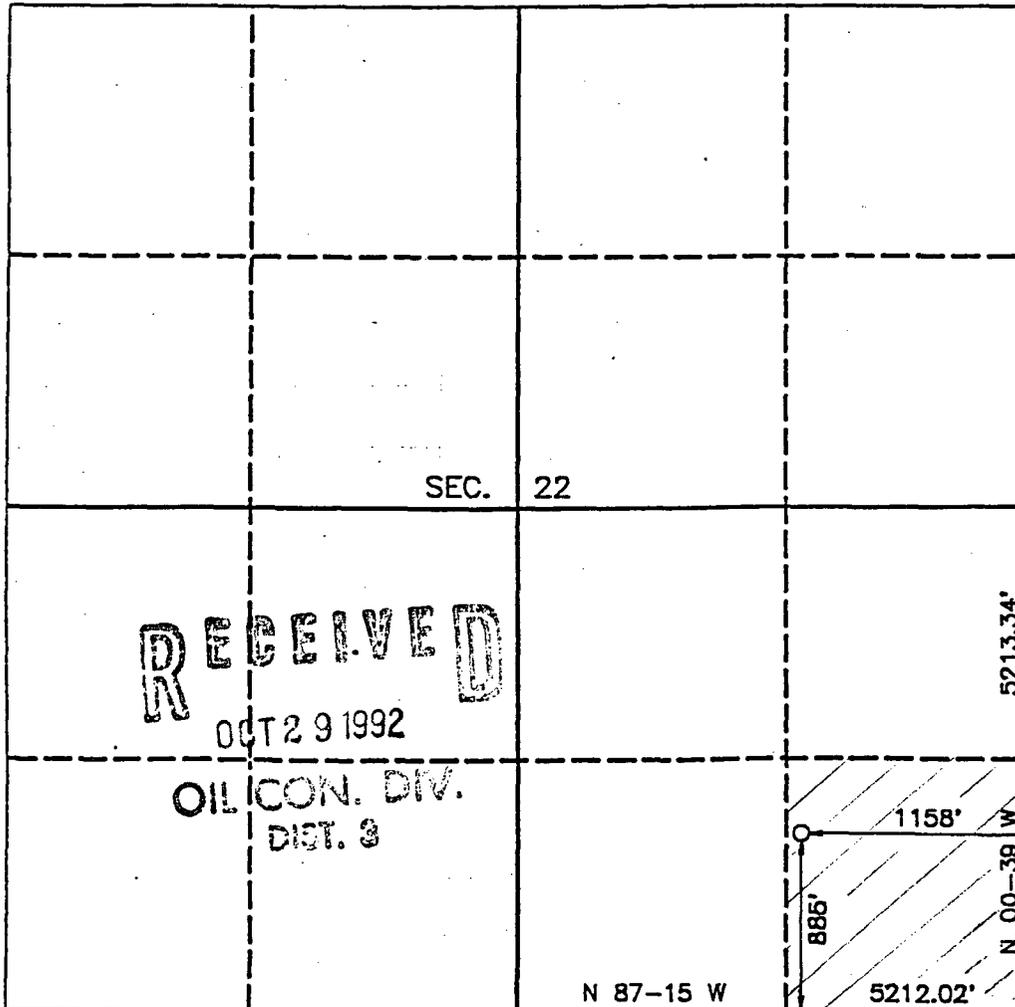
Operator B.C.O. INC.		Lease FEDERAL "B"		Well No. 13
Unit Letter P	Section 22	Township T.23 N.	Range R.7 W.	County SANDOVAL
Actual Footage Location of Well: 885 feet from the SOUTH line and 1158 feet from the EAST line				
Ground level Elev. 7231	Producing Formation GALLUP	Pool LYBROOK GALLUP EXT	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 acreage 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 interest, has been approved by the Division.



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 OCT 29 1992
 OIL CON. DIV.
 DIST. 3

OPERATOR CERTIFICATION

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

Signature

Printed Name
NEEL L. DUNCAN

Position
PETROLEUM ENGINEER

Company
B.C.O. INC.

Date
09 SEPTEMBER 1992

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.

Date Surveyed
AUGUST 28, 1992

Signature & Seal of Professional Surveyor
RO 8894 RUSH

Certificate No.
8894

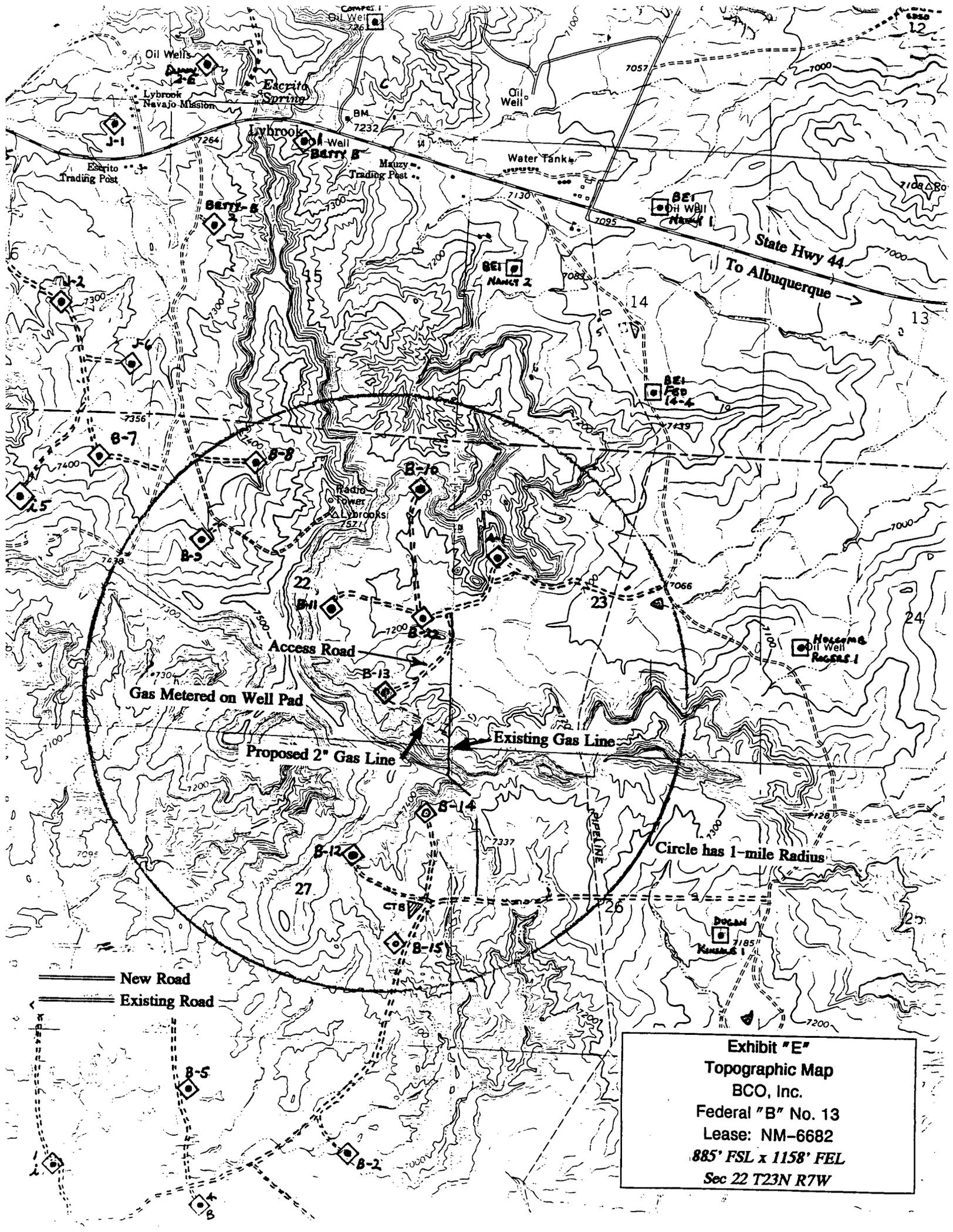


Exhibit "E"
 Topographic Map
 BCO, Inc.
 Federal "B" No. 13
 Lease: NM-6682
 885' FSL x 1158' FEL
 Sec 22 T23N R7W