



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

February 24, 2003

BP America Production Company
P. O. Box 3092
Houston, Texas 77253-3092
Attention: **Mary Corley**
corleyml@bp.com

Telefax No. (281) 366-0700

Administrative Order NSL-4845

Dear Ms. Corley:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on January 30, 2003 (*application reference No. pKRV0-303133525*); (ii) the Division's initial response by e-mail on January 31, 2003 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your e-mail response on February 4, 2003 with the necessary information to complete this application; and (iv) the records of the Division in Aztec and Santa Fe: all concerning BP America Production Company's ("BP") request for an exceptions to the well location requirements provided within the:

(a) 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; and

(b) the "*Special Rules for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002.

BP proposes to drill its Vandewart "B" Well No. 3-M at an unorthodox gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools 880 feet from the North line and 2055 feet from the West line (Unit C) of Section 11, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico.

Gas production from the Blanco-Mesaverde Pool is to be included within an existing standard 320-acre stand-up gas spacing and proration unit comprising the W/2 of Section 11, which is currently dedicated to BP's: (i) Vandewart "A" Well No. 2-A (API No. 30-045-22362), located at

a standard gas well location 1800 feet from the North line and 1140 feet from the West line (Unit E) of Section 11; and (ii) Vandewart "A" Well No. 2-R (API No. 30-045-26836), located at a standard gas well location 1800 feet from the South line and 1535 feet from the West line (Unit K) of Section 11.

The proposed Vandewart "B" Well No. 3-M is to be a replacement Basin-Dakota gas well within a former stand-up 320-acre stand-up gas spacing and proration unit (W/2 of Section 11) to the Vandewart "B" Well No. 3 (API No. 30-045-26148), located at a standard gas well location 870 feet from the South line and 1600 feet from the West line (Unit N) of Section 11, which well was completed in the Basin-Dakota Pool from July, 1985 to June, 1992.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing both pools.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde gas well location for the Vandewart "B" Well No. 3-M is hereby approved. Both of the aforementioned Blanco-Mesaverde producing wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

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