



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

January 30, 2002

Lori Wrotenbery
Director
Oil Conservation Division

BP America Production Company
P. O. Box 3092
Houston, Texas 77253-3092
Attention: Mary Corley

Administrative Order NSL-4692

Dear Ms. Corley:

Reference is made to the following: (i) your application dated June 18, 2001 (*application reference No. pKRV0-202552481*); and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe and Aztec: all concerning BP America Production Company's ("BP") request for an exception to the well location requirements provided within the "*Special Rules and Regulations 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 Order No. R-10987-B (1), dated August 10, 2000 (which were in effect at the time this application was filed), for a non-standard Basin-Dakota replacement gas well location within an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool (71599) comprising the E/2 of Section 18, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico. This unit is currently assigned to BP's: (i) Day Well No. 5 (API No. 30-045-23975), located at a standard gas well location 990 feet from the South and East lines (Unit P) of Section 18; and (ii) Day Well No. 5-E (API No. 30-045-25472), located at a standard infill gas well location 790 feet from the North and East lines (Unit A) of Section 18.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B.

It is understanding that the above-described Day Well No. 5-E is currently inactive and the BP intends to plug and abandon this well prior to drilling its replacement.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled as a replacement to the aforementioned infill gas well on this 320-acre unit at an unorthodox gas well location is hereby approved:

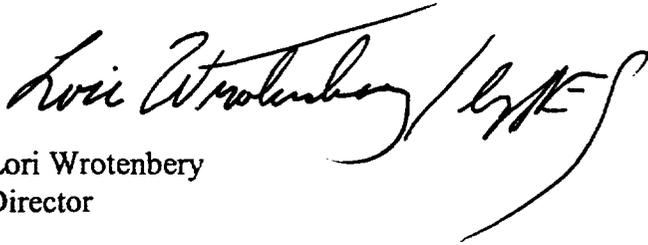
Day Well No. 5-M
2425' FNL & 1425' FEL (Unit G)
(API No. 30-045-30901).

Further, both of the aforementioned Day Wells No. 5 and 5-M and existing 320-acre gas

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spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery / LW". The signature is written in black ink and is positioned above the typed name and title.

Lori Wrotenbery
Director

LW/MES/kv

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

REMARK:

This administrative order is being released at this time since your application was submitted prior to the issuance of Division Order No. R-10987-B (2) on January 29, 2002 (see copy attached).