

RECEIVED: 11/2/17	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL1731360819
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: BP America Production Company**OGRID Number:** 000778**Well Name:** Northeast Blanco Unit 605 Com 1H**API:** 30-045-35851**Pool:** Basin Mancos**Pool Code:** 97232

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

NSL-7611

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐Application
Content
Complete

- 3) CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Toya Colvin

Print or Type Name

Signature

11/03/17

Date

281-892-5369

Phone Number

Toya.Colvin@bp.com

e-mail Address



RECEIVED OCD

2017 NOV -2 P 2: 21

BP America Production Company

Toya Colvin
Regulatory Analyst
737 North Eldridge Pkwy, 12.181A
Houston, Texas 77079
281-892-5369

October 26, 2017

CERTIFIED MAIL:
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Application for Administrative Approval for Non-Standard Location
Northeast Blanco Unit 605 Com #1H
API 30-045-35851
SHL: 440' FSL & 805' FEL Section 11-T31N-R07W
BHL: 438' FSL & 50' FEL Section 07-T31N-R06W
San Juan County, New Mexico
Basin Mancos Pool Formation (97232)

Dear Sir or Madam,

BP America respectfully requests administrative approval for a non-standard location for the above referenced well. Attached for your reference are the following exhibits:

1. Administrative Application Checklist
2. Well Location Plat (C-102)
3. List of Offset Operators/Interest Owners

It is anticipated that the lateral will penetrate the projected Mancos Gas horizon at approximately 338' including the drilling uncertainty window from the north lease line of Section 14-T31N-R07W and extend easterly maintaining the same approximate 338' from north lease line of Section 14-T31N-R07W, Section 13-T31N-R07W, and Section 18-T31N-R06W (see attached C-102 for NEBU 605 Com 1H).

Unorthodox Location – 338' from Southern Boundary of Project Area

The unorthodox location is required to allow conservative and consistent spacing between multiple wells proposed for completion in the Mancos in this area (604 Com 1H, 605 Com 1H, 2H, 3H) in 2018 and future years, due to the constraints imposed by the available surface locations for drilling. This location is also necessary for well avoidance with existing vertical wells. The request also incorporates a +/- 100' drilling buffer to increase drilling efficiency by allowing BP to avoid the excessive sliding necessary to adhere to the permitted well path over the entire lateral length.

There working interest owners in the encroached upon spacing units and the project area associated with the subject well are identical. The well is also located within the Northeast Blanco federal exploratory unit. As a result, the request would have minimal impact on correlative rights.

Unorthodox Location – 250' from Eastern Boundary of Project Area

The unorthodox location for the toe of the well is required to avoid stranding reserves. The Mancos shale is a low permeability formation incapable of production without stimulation. This

well has been planned in an East-West orientation to take advantage of an anticipated North-South fracture orientation. As a result, extending the toe allows us to capture additional reserves to the north and south of the wellbore. At the same time, we expect the very little stimulated area to the east of the toe and consequently very little drainage in this direction.

WPX, Conoco Phillips/Burlington Resources- Hilcorp, Frank C. Davis III, and Blackwood & Rainey NEBU LLC are the working interest and offset operators for the unorthodox location of our lateral in the subject well and have been notified by certified mail and email.

Sincerely,

A handwritten signature in black ink, appearing to read "Toya Colvin", with a stylized flourish at the end.

Toya Colvin-Regulatory Analyst

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 97232	³ Pool Name Mancos Gas
⁴ Property Code	⁵ Property Name Northeast Blanco Unit 605 Com	⁶ Well Number 1H
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 6471

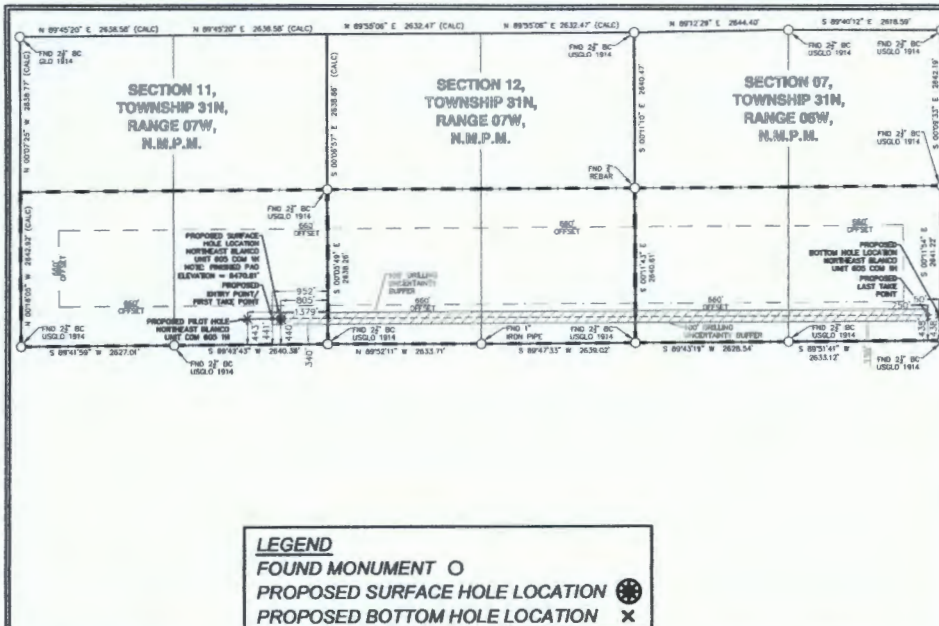
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	11	31N	07W		440	South	805	East	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	07	31N	06W		438	South	50	East	San Juan

¹² Dedicated Acres 960.00 - S/2 - SEC. 11, T31N, R07W S/2 - SEC. 12, T31N, R07W S/2 - SEC. 07, T31N, R06W	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.			



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Toya Colvin Date: 7/25/17
Printed Name: Toya Colvin

E-mail Address: toya.colvin@bp.com

¹⁸ 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 belief.

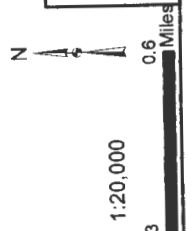
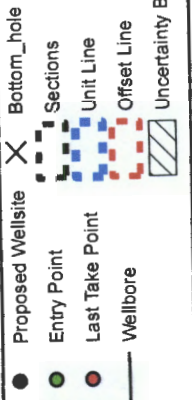
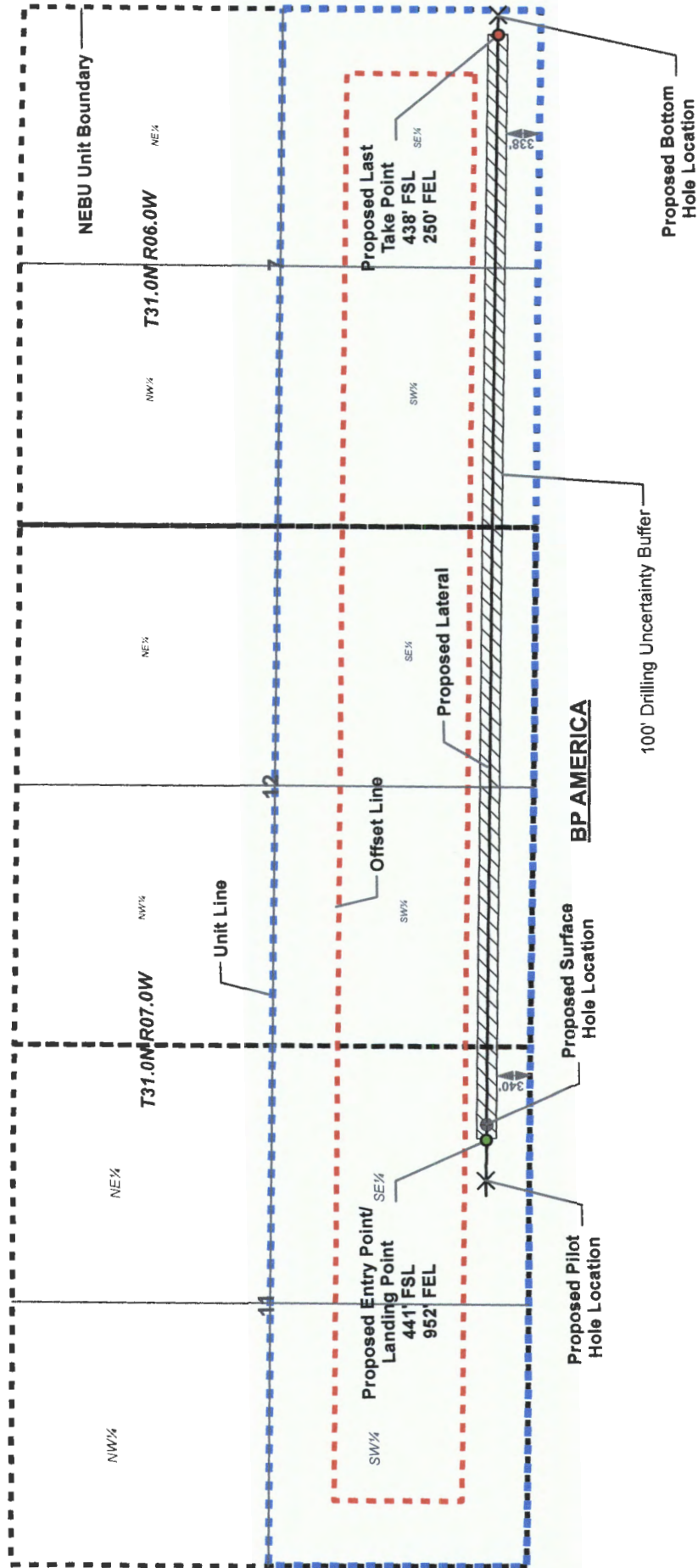
Date of Survey: 6-13-17

Signature and Seal of Professional Surveyor:



NEBU 605 COM 1H	NWZ NAD'83	NAD'83	TIES
PROPOSED SURFACE HOLE LOCATION (SHL)	N (Y) = 2,149,972.24' E (X) = 2,810,585.35'	LAT. = 36.90798961°N LON. = 107.53406636°W	FSL = 440' FEL = 805'
PROPOSED PILOT HOLE	N (Y) = 2,149,972.24' E (X) = 2,810,011.95'	LAT. = 36.90799454°N LON. = 107.53602762°W	FSL = 443' FEL = 1379'
PROPOSED ENTRY POINT (EP)/FIRST TAKE POINT (FTP)	N (Y) = 2,149,973.34' E (X) = 2,810,438.71'	LAT. = 36.90799390°N LON. = 107.53456792°W	FSL = 441' FEL = 952'
PROPOSED LAST TAKE POINT (LTP)	N (Y) = 2,149,996.79' E (X) = 2,821,674.14'	LAT. = 36.90795545°N LON. = 107.49613808°W	FSL = 438' FEL = 250'
PROPOSED BOTTOM HOLE LOCATION (BHL)	N (Y) = 2,149,997.24' E (X) = 2,821,874.14'	LAT. = 36.90795474°N LON. = 107.49545400°W	FSL = 438' FEL = 50'

WPX ENERGY PROD.LLC



NON-STANDARD LOCATION EXHIBIT
BP AMERICA PRODUCTION COMPANY
NEBU BP 605 COM 1H

EXHIBIT "A"

7/25/2017



Debra Bacon
Land Manager West
BP America Production Company
737 North Eldridge Parkway
Houston, Texas 77079

281-892-4830 Office
713.825.7571 Cell
debra.bacon@bp.com

Sent: Via email (Brennan.west@wpxenergy.com)

October 12, 2017

WPX Energy Production, LLC
ATTN: Brennan West
3500 One Williams Center
Tulsa, OK 74172-0135

RE: Non-Standard Location Request
Northeast Blanco Unit 605 Com 1H, (API 30-045-xxxxx)
Northeast Blanco Unit 605 Com 2H, (API 30-045-xxxxx)
Northeast Blanco Unit 605 Com 3H, (API 30-045-xxxxx)

Brennan:

Please be advised that the above captioned horizontal Mancos Gas wells are planned to be drilled in late 2017. It is anticipated that the horizontal well bores will be west to east from a SHL in SE/4 of Section 11-T31N-R07W to BHL locations for each well in E/2 of Section 7-T31N-R06W. At this time we are preparing a C-102 for each well with a BHL approximately 50' FEL of Section 7-T31N-R06W with the deepest take point no closer than 250' FEL of Section 7. Since the deepest take point of this horizon does not meet the required 660' setback for a Mancos Gas well, BP America Production Company, as Operator of the wells mentioned above, must apply for an exception to this set back rule as it applies to the Mancos Gas horizon.

BP respectfully requests your approval for non-standard locations for NEBU 605 Com 1H, 2H, & 3H wells with drilling to a final BHL 50' FEL of Section 7-T31N-R06W. In return, BP would be willing to reciprocate with the following:

- Similar exception request on east to west horizontal wells to a location within the Rosa Unit to a take point no closer than 250' from said NEBU/ROSA Unit boundary.
- BP would provide the Pressure data (Casing, Tubing and Choke) and the Production (Gas and Water) data for the above referenced wells.

Please signify your approval by signing and dating in the spaces provided below and return to Craig Ferguson at craig.ferguson@bp.com.

Sincerely,

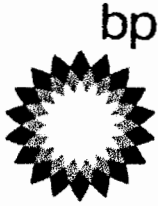
A handwritten signature in cursive script that reads "Debra Bacon".

Debra Bacon
Land Manager – West BU
San Juan Basin

WPX Energy Production, LLC has been notified and approves the non-standard locations for NEBU 605 Com 1H, 2H, & 3H wells.

By:
Title:

Date



BP America Production Co.
Lower 48 Onshore

Craig T. Ferguson
craig.ferguson@bp.com
281-892-5743 (direct)

E3, 12.173B
737 N. Eldridge Parkway
Houston, Texas 77079

October 23, 2017

Craig Ferguson
BP America Production Company
737 N. Eldridge Parkway
Houston, TX 77079

RE: Northeast Blanco Unit 605 Com 1H (API 30-045-~~XXXX~~³⁵⁸⁵¹)
Updated Non-Standard Location Notification
SHL: 440' FSL & 805' FEL Section 11-T31N-R07W
BHL: 438' FSL & 50' FEL Section 07-T31N-R06W

Hello:

It is anticipated that the lateral will penetrate the projected Mancos Gas horizon at approximately 338' including the drilling uncertainty window from the north lease line of Section 14-T31N-R07W and extend easterly maintaining the same approximate 338' from north lease line of Section 14-T31N-R07W, Section 13-T31N-R07W, and Section 18-T31N-R06W (see attached C-102 for NEBU 605 Com 1H). Since the projected lateral does not meet the required 660' setback for a Mancos Gas well, BP America Production Company, as Operator of this well, must apply for an exception to this set back rule as it applies to projected lateral of the Mancos Gas horizon. Please note that the affected parties will have 20 days to respond by mailing a protest to the above mentioned operator of the non-standard project area. Below, I have provided you with the names and addresses of the off-set owner that need to be notified of this lease line exception request.

WI Owners - South Offset (N/2 Section 14-T31N-R07W, N/2 Section 13-T31N-R07W & N/2 Sec 18-T31N-R6W):

BP America Production Company
737 N. Eldridge Parkway
Houston, TX 77079

ConocoPhillips Company &
Burlington Resources Oil & Gas Co
c/o Hilcorp San Juan, LP
ATTN: Land Department
1111 Travis St.
Houston, TX 77002

Blackwood & Rainey NEBU LLC
Attn: Margaret Holden
Blackwood & Rainey NEBU, LLC
8028 N. May Avenue Suite 201
Oklahoma City, OK 73120

Frank C. Davis, III
P. O. BOX 600185
Dallas, TX 75360-0185

Note: USA is the mineral owner, N/2 Sec. 13-T31N-R7W, N/2 Sec. 14-T31N-R7W (NM-03558) and N/2 Sec 18-T31N-R06W, (SF-078970)

I believe this letter should satisfy your offset information request. Please contact me at 281.892.5743 if you have any questions concerning this topic.

Sincerely,

A handwritten signature in cursive script that reads "Craig T. Ferguson". The signature is written in dark ink and is positioned below the word "Sincerely,".

Craig T. Ferguson
Land Negotiator
San Juan Asset

NEBU WORKING INTEREST OWNERS/ OFFSET OWNER

Frank C. Davis III
***P. O. BOX 600185**
Dallas, TX 75360

Blackwood & Rainey NEBU LLC
Attn: Margaret Holden
8028 N. May Avenue Suite 201
Oklahoma City, OK 73120

ConocoPhillips Company &
Burlington Resources Oil & Gas Co
c/o Hilcorp San Juan, LP
ATTN: Land Department
1111 Travis St.
Houston, TX 77002

WPX Energy Production, LLC
Attn: Brennan West
3500 One Williams Center
Tulsa, OK 74172-0135

7015 0920 0001 4162 9685

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OKLAHOMA CITY, OK 73120

Postage	\$3.35
Certified Fee	\$2.75
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.59

Sent to
 Blackwood & Rainey NEBU LLC
 Street & Apt. No., or PO Box No. 8028 N. May Ave. Suite 201
 City, State, ZIP+4 Oklahoma City, OK 73120
 PS Form 3800, July 2014 See Reverse for Instructions

7015 0920 0000 4162 9681

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For delivery information, visit our website at www.usps.com®.

FARMINGTON, NM 87402

Postage	\$3.35
Certified Fee	\$2.75
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$7.29

Sent to
 Bureau of Land Management
 Street & Apt. No., or PO Box No. 4251 College Blvd. Suite A
 City, State, ZIP+4 Farmington, NM 87402
 PS Form 3800, July 2014 See Reverse for Instructions

7015 0920 0000 4162 9684

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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For delivery information, visit our website at www.usps.com®.

HOUSTON, TX 77002

Postage	\$3.35
Certified Fee	\$2.75
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.59

Sent to
 CenocoPhillips/Burlington/Hilcorp San Jan
 Street & Apt. No., or PO Box No. 1111 Travis St.
 City, State, ZIP+4 Houston, TX 77002
 PS Form 3800, July 2014 See Reverse for Instructions

7015 0920 0001 4162 9678

U.S. Postal Service™
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For delivery information, visit our website at www.usps.com®.

DALLAS, TX 75360

Postage	\$3.35
Certified Fee	\$2.75
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.59

Sent to
 Frank C Davis
 Street & Apt. No., or PO Box No. 70 BOX 6000185
 City, State, ZIP+4 Dallas, TX 75360-0185
 PS Form 3800, July 2014 See Reverse for Instructions

From: [Lowe, Leonard, EMNRD](#)
To: ["Colvin, Toya"](#)
Cc: [Perrin, Charlie, EMNRD](#); [Vermeresch, Amy H, EMNRD](#); [Pickford, Katherine, EMNRD](#); [Jones, William V, EMNRD](#); [McMillan, Michael, EMNRD](#); [Goetze, Phillip, EMNRD](#); ["lisa@rwbyram.com"](#); ["jglover@blm.gov"](#); ["dmankiew@blm.gov"](#)
Subject: APPROVED NSL-7611_BP America Production Company._Northeast Blanco Unit 605 Com Well No. 1H_SEC 11 31N 7W
Date: Monday, November 27, 2017 11:38:00 AM
Importance: High

Ms. Toya Colvin,

The following administrative order has been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

ORDER:
NSL-7611

OPERATOR:
BP America Production Company

WELL:
Northeast Blanco Unit 605 Com Well No. 1H, [API #: 30-045-35851]

Leonard Lowe
Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>