

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Tony Delfin**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



May 16, 2016

BP America Production Company  
Attn: Ms. Toya Colvin

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-7413**

**BP America Production Company**  
**OGRID 778**  
**Gallegos Canyon Unit 124E No.1H**  
**API No. 30-045-35648**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	952` FSL & 1902` FWL	N	35	28N	12W	San Juan
Penetration Point	951` FSL & 1572` FWL	N	35	28N	12W	San Juan
Final perforation	929` FSL & 330` FWL	M	34	28N	12W	San Juan
Terminus	929` FSL & 330` FWL	M	34	28N	12W	San Juan

**Proposed Unit:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 of Section 35	320	Basin Mancos	97232
S/2 of Section 34	320	Basin Mancos	97232

Reference is made to your application received on April 11, 2016.

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by the Special Rules for the Basin Mancos Gas Pool, which provides for 320-acre units with wells to be located at least 660 feet from outer unit boundaries, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

It is our understanding that BP America is seeking this location to efficiently produce its interest in Section 34.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



**DAVID R. CATANACH**  
**Director**

DRC/lrl

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