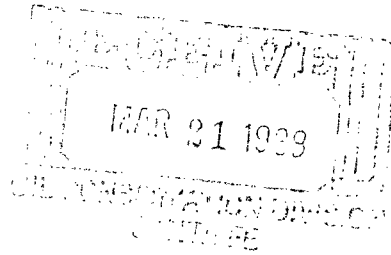


Release Date: April 11, 1988

By DEC

Suite 600
5613 DTC Parkway
Englewood, Colorado 80111
Telephone (303) 850-9090
DEX: (303) 850-9110



March 14, 1988



State of New Mexico
Oil & Gas Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Request for Approval
Unorthodox Well Location
Gallegos Canyon Unit
San Juan County, New Mexico

NSL-2497
RULE-104F (E)

Undesignated North Pinon
Fruitland Pool
160 Acres dedicated
NW1/4 Section 29

Gentlemen:

BHP Petroleum (Americas) Inc. respectfully requests approval of the below referenced unorthodox well location based on the land owner's topographical preference.

Gallegos Canyon Unit No. 366
1815' FNL, 660' FWL
Sec. 29, T29N, R12W
San Juan County, New Mexico
Fee Lease

It is proposed to drill the subject well to test the Fruitland formation at a depth of 1,160'. The wellsite is located on lands owned by Mr. Thomas Bolack of Farmington, New Mexico. Mr. Bolack has requested the drilling site be moved to the above location in order to limit further disruption of his rangeland. The site is on an existing location serving Amoco's well No. 173-E which produces from the Dakota formation and BHP's well No. 331 which produces from the Pictured Cliffs formation.

We would appreciate your consideration in reviewing this request.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC.

Chuck Williams
Administrator, Field Services
Rocky Mountain Region

CW:gb

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

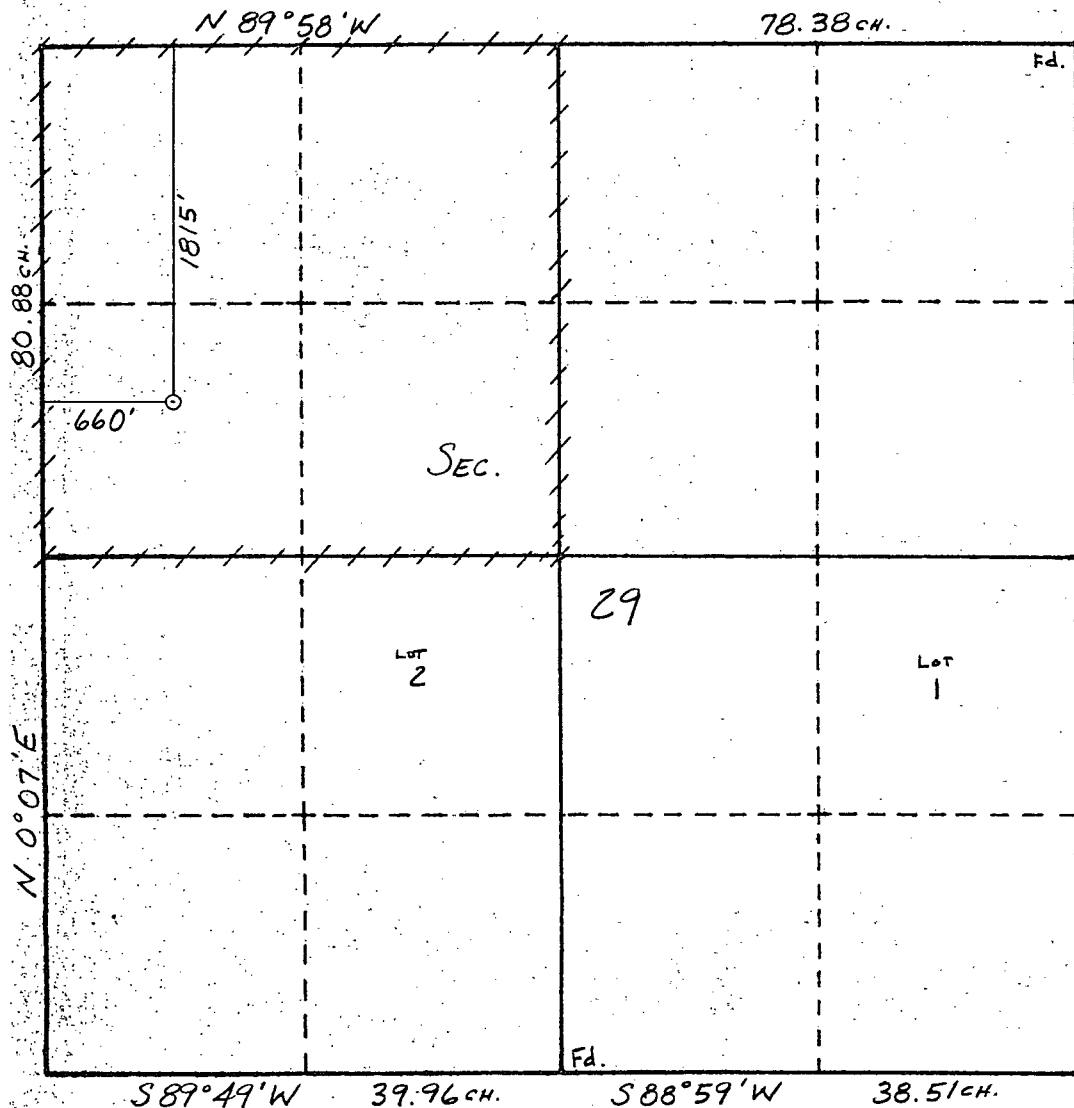
Operator BHP PETROLEUM (AMERICAS) INC.			Lease GALLEGOS CANYON UNIT		Well No. 366
Unit Letter E	Section 29	Township 29 N	Range 12 W	County SAN JUAN	
Actual Footage Location of Well: 1815 feet from the NORTH line and 660 feet from the WEST line					
Ground Level Elev. 5307	Producing Formation Fruitland	Pool N. Pinion Fruitland		Dedicated Acreage 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable 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 interests, has been approved by the Commission.



CERTIFICATION

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

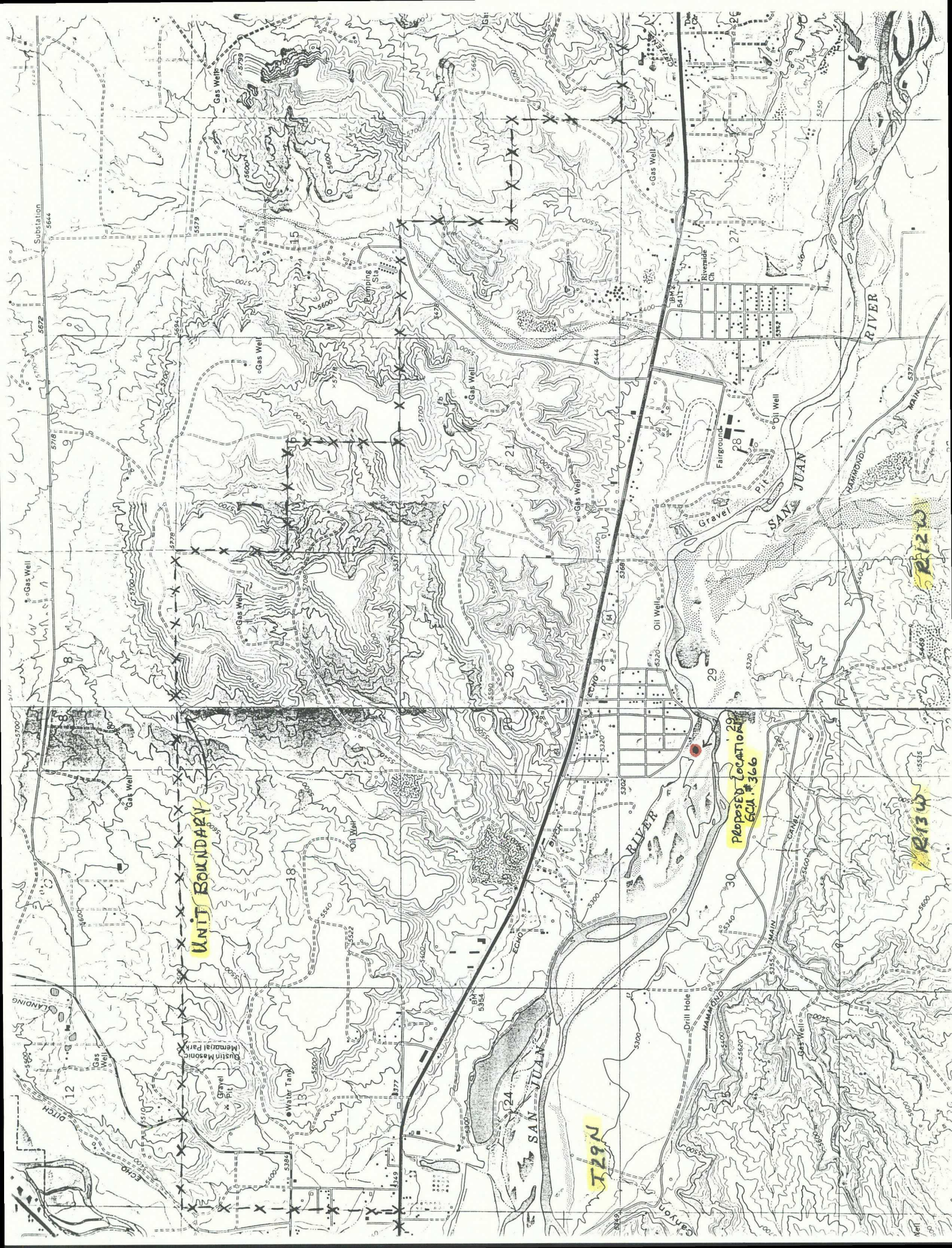
Name Chuck Williams
 Position Administrator, F.S.
 Company BHP Petroleum (Americas)

Date 03/03/88

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 2-17-88
 Surveyor William E. Mahnke
 Registered Professional Engineer and Land Surveyor #8466

Certificate No. 8466



UNIT BOUNDARY

PROPOSED LOCATION
ECU #366

R13W

R12W

T29N



March 16, 1988

Amoco Production Company
501 Airport Drive
Farmington, New Mexico 87401

RE: Notification of Proposed Unorthodox
Well Location
Gallegos Canyon Unit
San Juan County, New Mexico

Gentlemen:

Please consider this letter as notice that BHP Petroleum (Americas) Inc.
proposes to drill the below listed unorthodox well location.

Gallegos Canyon Unit No. 366
1815' FNL, 660' FWL
Section 29, T29N, R12W
San Juan County, New Mexico

The subject well is to be drilled to test the Fruitland formation at a
depth of 1160'. In accordance with the New Mexico Oil Conservation
Division we are requesting your waivers of this well site due to the
landowner's, Mr. Tom Bolack of Farmington, New Mexico desire to limit
further disruption of his rangeland. The wellsite is adjacent to
Amoco's well No. 173-E.

We would very much appreciate your consideration of this request. If
you have no objections, please notify the Oil Conservation Division as
soon as convenient. If you do have any objection, please let me know
and also, enter an objection to the Oil Conservation Division within 20
days of receipt of this letter.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC.

A handwritten signature in cursive script that reads "Chuck Williams".

Chuck Williams
Administrator, Field Services
Rocky Mountain Region

CW:gb



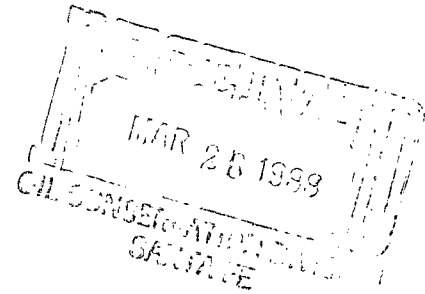
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO RHAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 3-21-88

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed VFX _____
Proposed PHX _____



Gentlemen:

I have examined the application dated 3-18-88
for the BHP PETROLEUM INC. G.C.U. #366 E-29-28N-12W
Operator Lease and Well No. Unit, _____

and my recommendations are as follows:

APPROVE

Yours truly,

Eve Busch