



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

March 7, 2002

Lori Wrotenbery
Director
Oil Conservation Division

BP America Production Company
501 WestLake Park Boulevard
Houston, Texas 77079-3092
Attention: Cherry Hlava
hlavacl@bp.com

Administrative Order NSL-4707

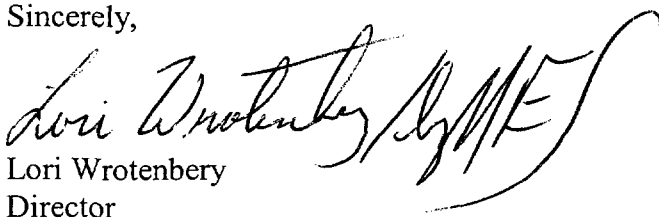
Dear Ms. Hlava:

Reference is made to the following: (i) your application dated February 12, 2002 (application reference No. pKRV0-204930227), which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on February 15, 2002; and (ii) the Division's records in Santa Fe and Aztec: all concerning BP America Production Company's request to drill its proposed Gallegos Canyon Unit Well No. 583 at an unorthodox coal gas well location 440 feet from the South line and 1630 feet from the West line (Unit N) of Section 4, Township 27 North, Range 12 West, NMPM, San Juan County, New Mexico.

Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 4 is to be dedicated to this well in order to form a standard 320.24-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool (71629).

By the authority granted me under the provisions of Rule 8 of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

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