ABOVE THIS LINE FOR DIVISION LISE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- 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 **Application Acronyms:** [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] TYPE OF APPLICATION - Check Those Which Apply for [A] [1] Location - Spacing Unit - Simultaneous Dedication FEB 15 7 1 Check One Only for [B] or [C] Commingling - Storage - Measurement

DHC CTB PLC PC OLS OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [C]☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR [D]Other: Specify ___ NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply [2] Working, Royalty or Overriding Royalty Interest Owners [B] Offset Operators, Leaseholders or Surface Owner Application is One Which Requires Published Legal Notice [C] [D] Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office [E]For all of the above, Proof of Notification or Publication is Attached, and/or, [F] Waivers are Attached SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE [3] OF APPLICATION INDICATED ABOVE. **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. Regulatory Analyst 2-12-02
Title Date

HLAVACL & BP. com
e-mail Address bp



BP America, Inc. 501 WestLake Park Blvd. Houston, TX 77079-3092

Phone: 281-366-2000

February 12, 2002

Ms. Lori Wrotenbery, Director New Mexico Oil Conservation Division 2040 S. Pacheco Street P.O. Box 6429 Santa Fe, NM 87505

Application For Unorthodox Location Gallegos Canyon Unit #583 Well 1630' FWL, 440' FSL, Unit N, Section 4-T27N-R12W Basin Fruitland Coal Pool San Juan County, New Mexico

BP America Production Company hereby requests administrative approval for a non-standard well location for the Gallegos Canyon Unit #583 well in the Basin Fruitland Coal. BP America plans to drill this well into the Basin Fruitland Coal. The well location is unorthodox due to the fact it is less than 660' from the outer boundary of the proration unit. An unorthodox location is necessary because of the Navajo Agricultural Products Industry (NAPI) crop circles.

Attached is the Form C-102 showing the location of the well, a topographic map showing the well location with crop circles and a nine-section plat showing wells drilled in the area. BP America is the only affected offset operator.

Should you have questions please call me at the below listed number.

Sincerely,

Cherry Hlava 281-366-4081

Attachments

cc: John Papageorge

Cherry Hlava

Well file

District I
PO Box 1980, Hobbs NM 88241-1980
District II
PO Drawer KK, Artesia, NM 87211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV

PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office

> State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

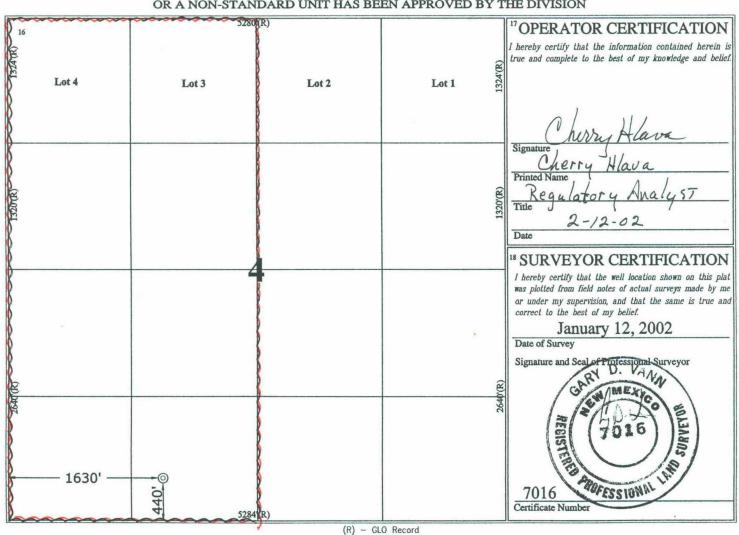
WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number | | | ² Pool Code | | | ³ Pool Name | | | | |
|-------------------------|---------|-------------------------------|----------------------------|---------|---------------|------------------------|---------------|----------------|------------------------|--|
| | | | 7 | 1629 | l l | Basin Frui | tland Co | pal | | |
| 4 Property | Code | | ⁵ Property Name | | | | | | 6 Well Number | |
| 00057 | 0 | Gallegos Canyon Unit | | | | | | # 583 | | |
| OGRID No. | | Operator Name | | | | | | | ⁹ Elevation | |
| 000 778 | | BP AMERICA PRODUCTION COMPANY | | | | | | | 5735 | |
| | | | | | 10 Surface I | Location | | | | |
| UL or Lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| N | 4 | 27 N | 12 W | | 440 | SOUTH | 1630 | WEST | SAN JUAN | |

11 Bottom Hole Location If Different From Surface

| Bottom Hole Location in Different From Surface | | | | | | | | | |
|--|---------|----------------|---------------|------------|---------------|------------------|---------------|----------------|--------|
| ⁷ UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| ¹² Dedicated Acre 320.24 | | t or Infill 14 | Consolidation | on Code 15 | Order No. | | 1 | | |

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



| | | I |
|-------------|---------------------------|--------------------------------|
| GCU 41 | 33 GCU 010 ❖ | GCU 4 ⇔ GCU 378 3 4 ⇔ |
| gcu 63 ☆ | GCU 61 4 GCU 583 | Э (THOMPSON C 7 |
| 8 | . √ ₁ | 1 Ø THOMPSON C 6 |

BP America Production Co.

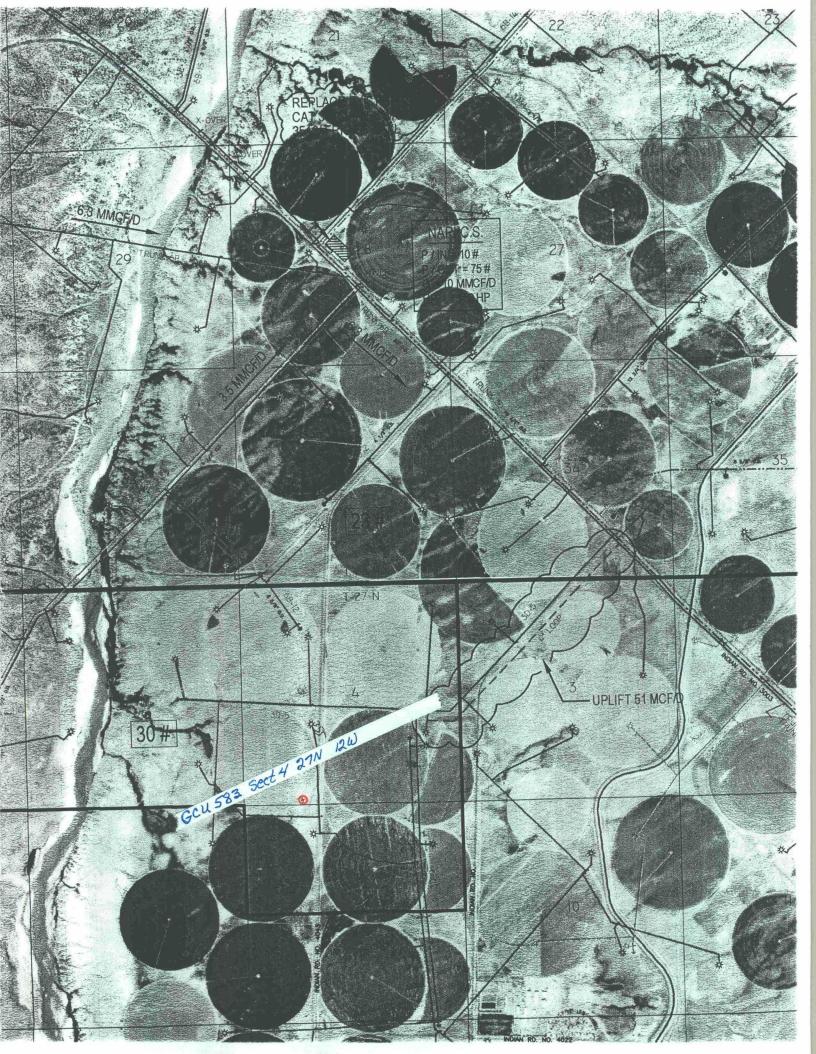
Houston, TX

San Juan Performance Unit

Proposed GCU 583

T27N R12W Sec. 4

Fruitland Coal Wells





State of New Mexico Oil Conservation Commission

From

MICHAEL E. STOGNER

Memo

To Steve Hayden

Attached is a copy of a Bl unorthedex wal san well bouten for Meter's comments.

Thurh.

P.O. BOX 2088

LAND OFFICE BUILDING

BANTA FE, NEW MEXICO 87501

505-827-5811

PF01 HELP

PF07 BKWD

PF02

PF08 FWD

ONGARD 02/18/02 09:37: CMD : INQUIRE LAND BY SECTION OG5SECT OGOMES -TQ PAGE NO: Sec : 04 Twp : 27N Rng : 12W Section Type : NORMAL L K J Ι 40.00 40.00 40.00 40.00 Federal owned Federal owned Federal owned Federal owned U U U U A A Α N 0 Ρ 40.00 40.00 40.00 40.00 Federal owned Federal owned Federal owned Federal owned U U U U Α

PF09 PRINT PF10 SDIV

PF04 GoTo

PF05

PF11

PF06

PF12

PF03 EXIT

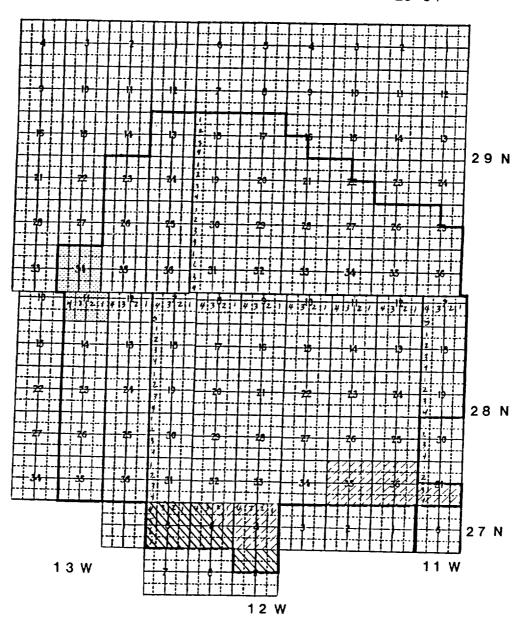
Date: 2/18/2002 Time: 09:34:59 AM

| CMD : OG5SECT Sec : 04 Twp : 27N | ONGARE INQUIRE LAND Rng : 12W Section | 02/18/02 09:37: OGOMES -TQ PAGE NO: | |
|--|--|---|-----------------------------------|
| 4 40.12 | 3 40.12 | 2 40.12 | 1 40.12 |
| Federal owned U A | Federal owned U A | Federal owned U | Federal owned U A |
| E 40.00 | F 40.00 | G 40.00 | H 40.00 |
| Federal owned U | Federal owned U | Federal owned U | Federal owned U A |
| PF01 HELP PF02 PF07 BKWD PF08 FW | | | PF06 PF12 |

GALLEGOS CANYON

SAN JUAN COUNTY **NEW MEXICO**

No. I-Sec. No. 844 EFFECTIVE 7-25-51



gulram, inc.

ENLARGEMENT I M ENLARGEMENT II NOT COMMITTED

1.1.87

petroleum engineering and government regulation consultants

UNIT NAME: GALLEGOS CANYON UNIT AREA

CONTRACT NUMBER: I-SEC. NO. 844

APPROVAL DATE: 7-25-51 EFFECTIVE DATE: 7-25-51

ACREAGE TOTAL: 39,324.51 (24,716.72 FED.; 3186.60 STATE;

6515.73 FEE; 4905.46 INDIAN)

TYPE: EXPLORATORY

UNITIZED FORMATION: ALL

ENLARGEMENT DATES: 9-3-53, EFFECTIVE 2-1-53: NEW ACREAGE:

41,722.52 (27,114.73 FED.; 3186.60 STATE; 6515.73 FEE;

4905.46 INDIAN)

3-27-56, EFFECTIVE 4 1-56; NEW ACREAGE:

43,146.62 (28,059.01 FED.; 3186.60 STATE; 6675.67 FEE;

5225.34 INDIAN)

AUTOMATIC ELIMINATION DATE: NONE OPERATOR: AMOCO PRODUCTION COMPANY

SUBOPERATOR: ENERGY RESERVES GROUP, INC (SURFACE TO BASE OF

PICTURED CLIFFS FORMATION)

PARTICIPATING AREAS

Name: DAKOTA INITIAL

Well Name: #83

Location: NE/4NE/4 26-28N-12W

Effective Date: 2-6-59

Legal Description: ALL sec. 23; ALL sec. 24; ALL sec. 25;

ALL sec. 26, T.28N., R.12W.

Acres added: 2560.00 Total Acres: 2560.00

Name: DAKOTA 1ST REVISION

Well Name: #84

Location: NW/4NW/4 26-28N-13W

Effective Date: 4-1-59

Legal Description: ALL sec. 23; ALL sec. 26, T.28N., R.13W.

Acres added: 1280.00 Total Acres: 3840.00

1-1-87