

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

BHP Petroleum (Americas), Inc.

3. Address and Telephone No.

P.O. Box 977, Farmington, NM 87499 (505) 327-1639

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NW SE, NE SE, Sec. 22; NW NW Sec 26; NE NE, NW NE Sec 27, T29N, R12W, NMPM  
No. 526: 1128' FNL & 1442' FEL Sec. 27, T29N, R12W, NMPM

5. Lease Designation and Serial No.

SF079907

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Gallegos Canyon Unit

8. Well Name and No.

GCU No. 526 & No. 511

9. API Well No.

30-045-28774  
30-045-28365

10. Field and Pool, or Exploratory Area

W. Kutz Pictured Cliffs

11. Country or Parish, State

San Juan, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION:

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Construct 2 buried pipelines  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple-completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Description attached.

RECEIVED

MAR 24 1993

OIL CON. DIV.)  
DIST. 3

OFO INFORMATION NM

53 MAR -1 PM 3:08

RECEIVED  
BLM

14. I hereby certify that the foregoing is true and correct

Signed

*[Signature]*

Title

Operation Superintendent

Date

2-20-93

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

APPROVED

Date

MAR 22 1993

DISTRICT MANAGER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false statement or representation as to any matter within its jurisdiction.

**Description:**

BHP proposes to construct a 7021' long buried steel pipeline for the purpose of transporting natural gas from the GCU 511 and 526 locations to a CDP meter located, on lease, at our GCU 520 location and a 7021' long 3" SDR 7 poly pipeline for the purpose of transporting produced water from our GCU 520 and GCU 511 location to the GCU 526 location where 2-400 BBL fiberglass holding tanks will be installed.

Both pipelines will be buried 4' deep in the same ditch.

1490' of the ROW (See Vicinity Map) is outside of the GCU Unit in Sec. 23, T29N, R3W and is applied for under separate ROW Form 299, attached. The remaining 5531' of 40' wide ROW, is within the Gallegos Canyon Unit.

3" schedule 40 plastic coated steel will be used to construct 6004' of the natural gas pipeline from the GCU 526 location to the GCU 520 location. 2" schedule 40 plastic coated steel will be used to construct the natural gas pipeline from the GCU 511 location 1017' northwest to the tie with the GCU 526/GCU 520 pipeline in the NW/NE Sec. 26, T29N, R12W. 109' of the SE portion of this line is on private surface. See attached Surface Use Agreement.

The steel natural gas lines will be pressure tested to 1000 psi and the poly water line will be tested to 200 psi.

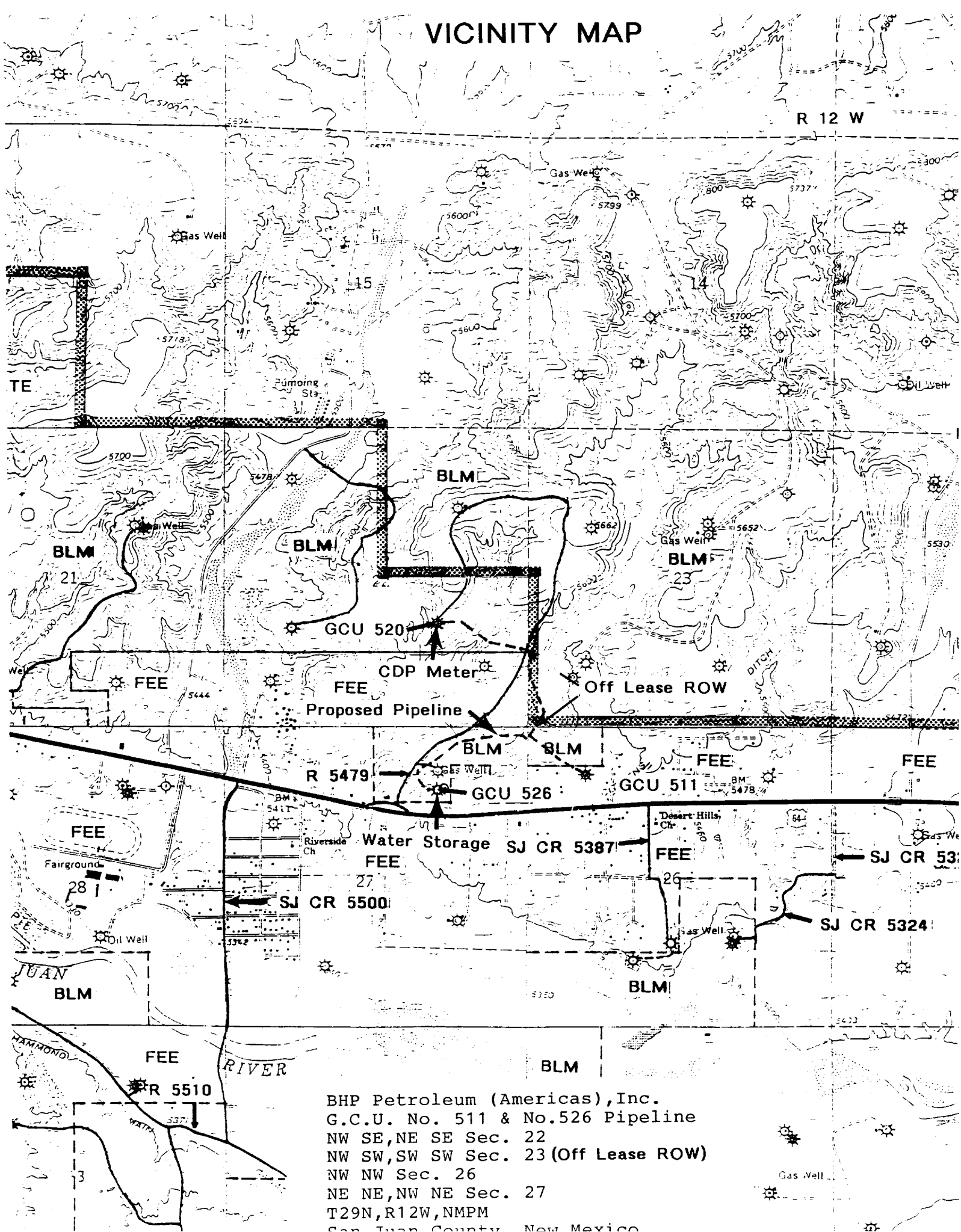
A cultural inventory was conducted on January 4, 5 and February 9, 1993 by San Juan College. See report No. 93-SJC-004.

The proposed pipeline route was onsite by BLM Representative Jackie Neckles, on January 20 and February 3, 1993 and Albert Gonzales on February 3 and 4, 1993.

Orifice allocation meters will be installed on the GCU 526 and GCU 511 locations. The allocation charts will be integrated by Measurement Auditions of Wheatridge, Colorado.

They will conduct the meter calibrations when required. If the volume exceeds 200 MCF/D average, a continuous temperature recorder will be installed on the respective allocation meter.

# VICINITY MAP



BHP Petroleum (Americas), Inc.  
 G.C.U. No. 511 & No. 526 Pipeline  
 NW SE, NE SE Sec. 22  
 NW SW, SW SW Sec. 23 (Off Lease ROW)  
 NW NW Sec. 26  
 NE NE, NW NE Sec. 27  
 T29N, R12W, NMPM  
 San Juan County, New Mexico

SURFACE USE AGREEMENT

P.O. Box 377  
Farmington, New Mexico 87400  
(505) 927-1600

It is BHP Petroleum's policy to compensate the surface owner for use of the area necessary to drill, complete and produce an oil/gas well even though New Mexico Case Law clearly allows for use of the area, reasonably necessary, without compensation.

This is to serve as an agreement between BHP Petroleum (Americas) Inc., hereinafter referred to as "Operator" and Mr. William Banning & Betty Nell Doak, Trust W/A 8/24/83 W.B. & Betty Nell Doak Trustees hereinafter referred to as "Owner" for the purpose of conducting oil and gas drilling and production operations on "Owner's" land.

Proposed operations to consist of drilling, completing and producing a well identified as:

Gallegos Canyon Unit #511  
NW1/4 NW1/4, Section 26, T29N, R12W  
San Juan County, New Mexico

- 1) "Operator" offers to compensate the "Owner" by check within ten days of initiation of construction for the area necessary to drill, complete and produce the above described well on "Owner's" land as follows:

A. One time payment of \$~~100,000.00~~ <sup>3000.00</sup> for use of the area necessary to drill, complete and produce the above described well including the area to construct two buried pipelines. Pipelines will be used to transport produced hydrocarbons and produced water. Pipelines will be buried at least 3 feet deep. Pipeline routes will be selected to minimize impact to "Owner's" land.

- 2) If the well results in a dryhole or failure, "Operator" agrees to reclaim the disturbed areas to resemble the surrounding terrain. If the well is completed as a producer, "Operator" agrees to reclaim the disturbed areas to resemble the surrounding terrain upon completion of abandonment operations.

- 3) "Operator" agrees to conduct operations in a prudent and workman like manner. All trash and garbage will be picked up and the area left clean upon termination of operations.

Betty Nell Doak  
"OWNER"

11-24-4411  
SOCIAL SECURITY NO.

11-21-80  
DATE

James L. Conroy  
"OPERATOR"

Operations Superintendent  
BHP Petroleum (Americas) Inc.

10-12-80  
DATE

APPLICATION FOR TRANSPORTATION AND  
UTILITY SYSTEMS AND FACILITIES  
ON FEDERAL LANDS

FORM APPROVED  
OMB NO. 1004-0060  
Expires: May 31, 1989

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

FOR AGENCY USE ONLY

Application Number

Date filed

1. Name and address of applicant (include zip code)  
BHP Petroleum (Americas) Inc.  
P.O. Box 977  
Farmington, NM 87499

2. Name, title, and address of authorized agent if different from Item 1 (include zip code)  
Fred Lowery  
Operations Superintendent  
BHP Petroleum (Americas), Inc.

3. TELEPHONE (area code)

Applicant  
(505) 327-1639  
Authorized Agent  
(505) 327-1639

4. As applicant are you? (check one)

- a. ☐ Individual  
b. ☒ Corporation \*  
c. ☐ Partnership/Association \*  
d. ☐ State Government/State Agency  
e. ☐ Local Government  
f. ☐ Federal Agency

\* If checked, complete supplemental page

5. Specify what application is for: (check one)

- a. ☒ New authorization  
b. ☐ Renew existing authorization No. \_\_\_\_\_  
c. ☐ Amend existing authorization No. \_\_\_\_\_  
d. ☐ Assign existing authorization No. \_\_\_\_\_  
e. ☐ Existing use for which no authorization has been received \*  
f. ☐ Other \*

\* If checked, provide details under Item 7

6. If an individual, or partnership are you a citizen(s) of the United States? ☐ Yes ☐ No

7. Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction. (Attach additional sheets, if additional space is needed.)

- a) Gas and produced water gathering pipelines.  
b) There will be no other structures or related facilities on this ROW.  
c) The gas line will be approximately 1490' of 3" schedule 40 plastic coated steel, welded joint linepipe.  
-The produced water line will be approximately 1490' of 3" polyethylene pipe.  
-Both lines will be buried 4' deep side by side in the same 18" wide ditch. 40' wide ROW is requested. NW SW, SW SW Sec. 23, T29N, R12W, NMPM  
d) 30 years  
e) Year round.  
f) Gas: 1.5 mmcf/d Water: 400 BWPD  
g) 3 weeks once application is approved  
h) None.

8. Attach map covering area and show location of project proposal Survey plat and Vicinity Map attached

9. State or local government approval: ☐ Attached ☐ Applied for ☒ Not required

10. Nonreturnable application fee: ☒ Attached ☐ Not required

11. Does project cross international boundary or affect international waterways? ☐ Yes ☒ No (If "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

BHP Petroleum (Americas), Inc. is technically and financially capable of constructing, operating, maintaining and terminating this natural gas and produced water gathering system.

13a. Describe other reasonable alternative routes and modes considered.

None.

b. Why were these alternatives not selected?

Any alternate route would have involved crossing private subdivided land.

c. Give explanation as to why it is necessary to cross Federal lands.

To produce the SF079907 mineral lease.

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name.)

See Sundry Notice attached.

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

This project is needed to economically produce the developed gas reserves in the Gallegos Canyon Unit Wells No. 520, 526, and 511.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

No adverse effects are foreseen on the few residents in the general vicinity of this project.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

A) None B) minimal C) None D) None E) temporary increase in noise level during construction  
F) Cuts and fills will be replaced and the ROW reseeded as per BLM stipulations.

18. Describe the probable effects that the proposed project will have on: (a) populations of fish, plant, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

A) This project will have minimal impact on plant and wildlife.  
B) There are no marine mammals in the area.

19. Name all the Department(s)/Agency(ies) where this application is being filed.

Bureau of Land Management  
Farmington Resource District

I HEREBY CERTIFY That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

Date

2-10-93

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.