



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

October 7, 2004

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

**BP America Production Company**

**P. O. Box 3092**

**Houston, Texas 77253-3092**

Attention: **Mary Corley**  
*corleym@bp.com*

**Administrative Order NSL-5118 (BHL)**

Dear Ms. Corley:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on June 17, 2004 (*administrative application reference No. pSEM0-416948301*); (ii) the Division's initial response from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe by e-mail on September 23, 2004; (iii) your reply by e-mail on September 30, 2004; and (iv) the Division's records in Santa Fe and Aztec: all concerning BP America Production Company's ("BP") request for an exception to the well location requirements provided within the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002.

Your application has been duly filed under the provisions of Division Rules 104.F, 111.B (3) and C (2), and 605.B and the applicable rules governing the Blanco-Mesaverde Pool (71599).

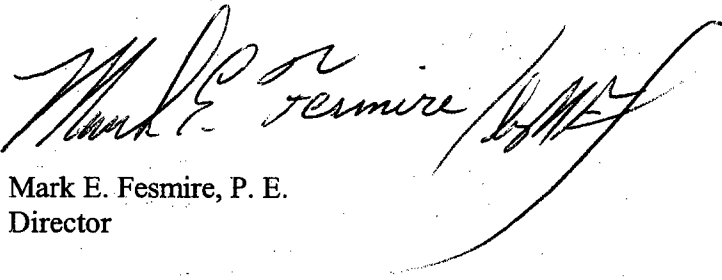
Under the provisions of Division Rules 111.A (7) and 111.C (1), BP received authorization to directionally drill its Riddle "C-LS" Well No. 3-B (API No. 30-045-31084) from a surface location 2180 feet from the South line and 1425 feet from the West line (Lot 7/Unit K) of Section 29, Township 31 North, Range 9 West, NMPM, San Juan County, New Mexico, in such a manner (kick-off from vertical to the west-northwest and return to vertical) that the projected bottomhole location within the Blanco-Mesaverde Pool, 2500 feet from the South line and 660 feet from the West line (Lot 8/Unit L) of Section 29, would be "standard" for an infill Mesaverde gas well location within an existing standard 316.58-acre stand-up gas spacing and proration unit ("GPU") comprising Lots 1, 2, 7, 8, 9, and 10, and the N/2 NW/4 (W/2 equivalent) of Section 29.

From your application and the Division's records, it is our understanding that the actual bottomhole location at a total depth of 5,875 feet (measured) of this wellbore is approximately 2569 feet from the South line and 543 feet from the West line (Lot 8/Unit L) of Section 29, which pursuant to the applicable rules governing well locations and spacing within the Blanco-Mesaverde Pool, and Division Rules 111.B (3) and A (13) is considered to be "unorthodox" by 117 feet within this 316.58-acre GPU.

By the authority granted me under the provisions of Division Rule 104.F (2), the unorthodox subsurface Blanco-Mesaverde infill gas well location for the above-described Riddle "C-LS" Well No. 3-B within the W/2 equivalent of Section 29 is hereby approved.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark E. Fesmire", followed by a large, sweeping flourish that extends to the right.

Mark E. Fesmire, P. E.  
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec  
U. S. Bureau of Land Management – Farmington  
Mr. William F. Carr, Legal Counsel for BP America Production Company – Santa Fe