

DATE IN 4/10/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 4/10/2014	TYPE NSL	APP NO. PMAM1409834306
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ABOVE THIS LINE FOR DIVISION USE 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]**

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[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

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **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.

Toya Colvin

Print or Type Name

*Toya Colvin*  
Signature

Regulatory Analyst

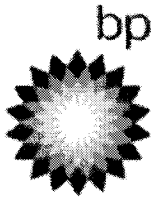
Title

04/01/2014

Date

Toya.Colvin@bp.com  
 e-mail Address

- NSL  
 - BP America Production  
 778  
 RECEIVED  
 2014 APR 10 10 20 AM  
 Well  
 - GALLAGHER CANYON  
 174E  
 130-045-25202  
 P001  
 - BASIN MANCOS  
 97232  
 - BASIN DAKOTA  
 71599



**BP America Production Company**

Toya Colvin  
Regulatory Analyst  
501 Westlake Park Boulevard, Rm 4.423B  
Houston, Texas 77079  
281-366-7148

April 1, 2014

**CERTIFIED MAIL:**

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**RE: Application for Administrative Approval for Non-Standard Location  
Gallegos Canyon Unit 174E  
API 30-045-25202  
1450' FNL and 410' FWL  
Unit E Section 28, Township 28N, Range 12W  
San Juan County, New Mexico  
Basin Dakota & Basin Mancos Pool Formations**

Dear Sir or Madam,

BP America respectfully requests administrative approval for a non-standard location for the above referenced well. Attached for your reference are the following exhibits:

1. Administrative Application Checklist
2. Well Location Plat ( C-102)
3. List of Offset Operators

The subject well was drilled and completed on November 18, 1982 in the Basin Dakota on a 320 acre unit. BP America would like to re-complete the subject well in the Basin Mancos formation, which is within the Basin Mancos Pool on an 320 acre stand up unit, and downhole commingle with the existing Basin Dakota. The Basin Dakota (71599) & the Basin Mancos (97232) pools are pre-approved for DHC per NMOCD Case No. 12520; Order No. R-11567 effective 04/26/2001. Although the interest owners are not identical between these two pools, this same order established approval for subsequent applications for DHC of production in wellbores within the GCU without notice to the unit interest owners. BP America received DHC approval 02/28/2014 by order DHC 3857 AZ.

The rules state that the well should have setbacks of 660 feet of the quarter section lines and should be within the allowed acreage requirement of a standard proration unit in the Basin Mancos Pool. The existing location will not conform to the required footages. A new well would not be economically feasible to drill for just the Basin Mancos formation. The current wellbore is in acceptable condition for the recompletion attempt with no additional work being required. By moving up the hole to the Basin Mancos formation, BP America would be able to minimize environmental impact in obtaining additional production and protection of correlative rights.

BP America Production Company and Burlington Resources Oil & Gas Co. LP are offset operators in the Gallegos Canyon Unit, therefore notification of the non-standard location application is required and has been sent by certified mail to BP America Production Company and Burlington Resources Oil & Gas Co. LP. If you need any additional information, please feel free to contact me at 281-366-7148.

Sincerely,

A handwritten signature in black ink, appearing to read 'Toya Colvin', with a stylized flourish at the end.

Toya Colvin  
Regulatory Analyst

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-25202	<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name Basin Dakota
<sup>4</sup> Property Code 000570	<sup>5</sup> Property Name Gallegos Canyon Unit	
<sup>7</sup> OGRID No. 000778	<sup>8</sup> Operator Name BP America Production Company	<sup>6</sup> Well Number 174E
		<sup>9</sup> Elevation 5603

<sup>10</sup> Surface Location

UL or lot no. E	Section 28	Township 28N	Range 12W	Lot Idn	Feet from the 1450	North/South line North	Feet from the 410	East/West line West	County San Juan
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. R-11567
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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.

	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
	Signature: <u>Tova Colvin</u> Date: <u>2/13/14</u>	
	Tova Colvin Printed Name	
	Tova.Colvin@bp.com E-mail Address	
	<sup>18</sup> SURVEYOR CERTIFICATION 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 belief.	
	Date of Survey	
	Signature and Seal of Professional Surveyor:	
	Previously Filed	
Certificate Number		



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1301 W. Grand Avenue, Artesia, NM 88210

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-25202		<sup>2</sup> Pool Code 97232	<sup>3</sup> Pool Name Basin Mancos
<sup>4</sup> Property Code 000570	<sup>5</sup> Property Name Gallegos Canyon Unit		<sup>6</sup> Well Number 174E
<sup>7</sup> OGRID No. 000778	<sup>8</sup> Operator Name BP America Production Company		<sup>9</sup> Elevation 5603

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UL or lot no. E	Section 28	Township 28N	Range 12W	Lot Idn	Feet from the 1450	North/South line North	Feet from the 410	East/West line West	County San Juan
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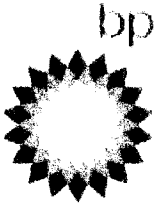
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
	Signature: <u>Joey Colvin</u> Date: <u>2/13/14</u>	
	Printed Name: <u>Toya Colvin</u>	
	E-mail Address: <u>Toya.Colvin@bp.com</u>	
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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 belief.	
	Date of Survey: _____	
	Signature and Seal of Professional Surveyor: _____	
	Previously Filed	
Certificate Number: _____		

OFFSET OPERATORS AND OWNERS FOR GALLEGOS CANYON UNIT 174E

BP America Production Co.  
501 Westlake Park Blvd.  
Houston, TX 77079

Burlington Resources Oil & Gas Co.  
Attn: Land Dept.  
P.O. Box 4289  
Farmington, NM 87499-4289



**BP America Production Company**

Toya Colvin  
Regulatory Analyst  
501 Westlake Park Boulevard, Rm 4.423B  
Houston, Texas 77079  
281-366-7148

April 1, 2014

**CERTIFIED MAIL:**

Burlington Resources Oil & Gas Co. LP  
P.O. Box 4289  
Farmington, NM 87499-4289

**RE: Application for Administrative Approval for Non-Standard Location**

Gallegos Canyon Unit Com 174E  
1450' FNL and 410' FWL  
Unit E Section 28, Township 28N, Range 12W  
San Juan County, New Mexico  
Basin Dakota & Basin Mancos -Pool Formations

Dear Sir or Madam,

Enclosed please find a copy of the above captioned application that has been sent to the NMOCD for administrative approval. Should you not agree with this request, please notify the NMOCD within 20 days of the date of this application. Should you have any questions, concerning the operations, please feel free to contact me at 281-366-7148.

Sincerely,

A handwritten signature in black ink, appearing to read "Toya Colvin".

Toya Colvin  
Regulatory Analyst

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

**1. Article Addressed to:**

Burlington Resources Oil & Gas LP  
PO Box 4289  
Farmington, NM 87499-4289

**2. Article Number**

(Transfer from serv

7003 0500 0004 9182 0850

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**
**A. Signature**

X

☐ Agent

☐ Addressee

**B. Received by (Printed Name)**
**C. Date of Delivery**
**D. Is delivery address different from item 1? ☐ Yes**

If YES, enter delivery address below: ☐ No

**3. Service Type**

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

**4. Restricted Delivery? (Extra Fee)**

☐ Yes

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.  
**CERTIFIED MAIL™**



7003 0500 0004 9182 0850  
7003 0500 0004 9182 0850

**U.S. Postal Service™**

**CERTIFIED MAIL™ RECEIPT**

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Postmark  
Here

Sent To  
Burlington Resources Oil & Gas Co. L.P.  
Street, Apt. No.,  
or PO Box No. PO BOX 4289  
City, State, ZIP+4  
Farmington, NM 87499-4289

PS Form 3800, June 2002

See Reverse for Instructions



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF078828A
2. Name of Operator BP AMERICA PRODUCTION CO		6. If Indian, Allottee or Tribe Name EASTERN NAVAJO
Contact: TOYA COLVIN E-Mail: Toya.Colvin@bp.com		7. If Unit or CA/Agreement, Name and/or No. 892000884F
3a. Address 200 ENERGY COURT FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 281-366-7148	8. Well Name and No. GALLEGOS CANYON UNIT 174E
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 28 T28N R12W SWNW 1450FNL 0410FWL 36.636640 N Lat, 108.123900 W Lon		9. API Well No. 30-045-25202-00-S1
		10. Field and Pool, or Exploratory BASIN DAKOTA
		11. County or Parish, and State SAN JUAN COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input checked="" type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BP America Production Company respectfully request permission to re-complete into the Basin Mancos by setting a CIBP over the Dakota, establishing a steady rate in the Basin Mancos, then remove the CIBP and downhole commingle the well with the existing Dakota.

RCVD FEB 19 '14  
OIL CONS. DIV.

The Basin Dakota (71599) & the Basin Mancos (97232) pools are pre-approved for DHC per NMOCD Case No. 12520; Order No. R-11567 effective 04/26/2001. Although the interest owners are not identical between these two pools, this same order established approval for subsequent applications for DHC of production in wellbores within the GCU without notice to the unit interest owners. Therefore, no additional notification is required prior to DHC approval.

DIST. 3

Production is proposed to be allocated based on the subtraction method using the Dakota projected future decline. That production will serve as a base for production subtracted from the total

DHC 3857 AZ

14. I hereby certify that the foregoing is true and correct. Electronic Submission #235552 verified by the BLM Well Information System For BP AMERICA PRODUCTION CO, sent to the Farmington Committed to AFMSS for processing by STEVE MASON on 02/14/2014 (14SXM1636SE)	
Name (Printed/Typed) TOYA COLVIN	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 02/13/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>STEPHEN MASON</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>02/14/2014</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

NMOCD