

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



30-045-24863
 Gallegos Canyon Unit #168E
 BP America

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

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[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		Regulatory Analyst	4/25/13
Print or Type Name	Signature	Title	Date
		Toya.Colvin@bp.com	
		e-mail Address	



BP America Production Company

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

April 25, 2013

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 168E
836' FNL and 1573' FWL
Unit C Section 19, Township 28N, Range 11W
San Juan County, New Mexico
Basin Dakota & Pinon Gallup-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) & Survey Plat
3. List of Offset Operators

The subject well was drilled and completed on November 21, 1981 in the Basin Dakota on a 317.92 acre unit. BP America would like to re-complete the subject well in the Pinon Gallup formation, which is within the Pinon Gallup Oil Pool on an 80 acre lay down unit, set a CIBP over the Basin Dakota and produce from the Pinon Gallup until we establish a steady production rate, then remove the CIBP and downhole commingle with the existing Basin Dakota. The Dakota (71599) & the Pinon Gallup (50380) 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 is currently awaiting downhole commingle approval

from the NMOCD. The rules state that the well should be located within 150 feet of the center of the quarter-quarter section in the 80 acre unit of the Pinon Gallup Oil Pool. The existing location will not conform to the required footages. A new well would not be economically feasible to drill for just the Pinon Gallup 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 Pinon Gallup formation, BP America would be able to minimize environmental impact in obtaining additional production and protection of correlative rights.

BP America, Burlington Resources Oil & Gas Co. LP, and Four Star Oil & Gas 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 Burlington Resources, and Four Star Oil & Gas. If you need any additional information, please feel free to contact me at 281-366-7148.

Sincerely,

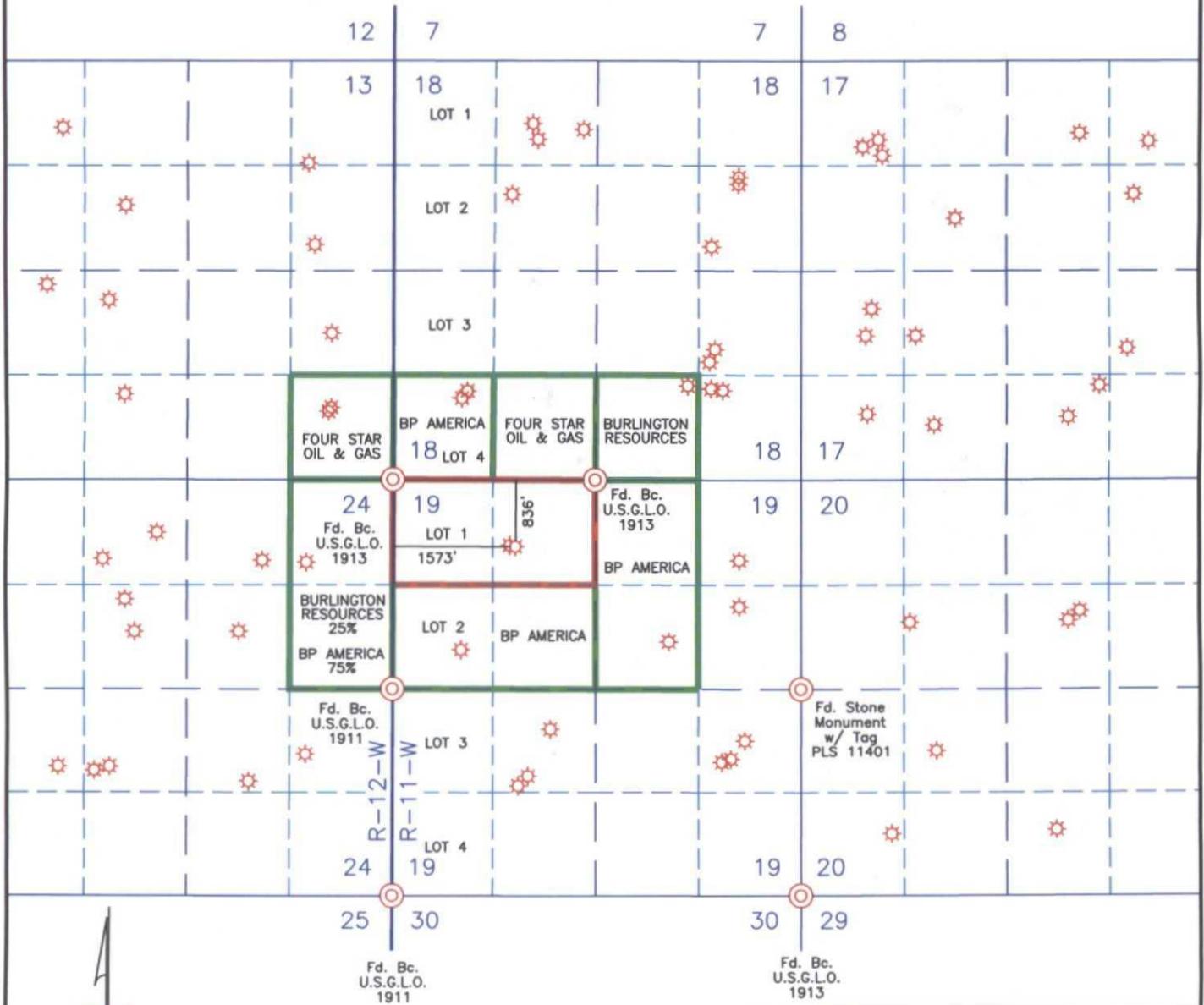
A handwritten signature in black ink, appearing to read "Toya Colvin", with a long horizontal flourish extending to the right.

Toya Colvin
Regulatory Analyst



EXHIBIT A GALLEGOS CANYON UNIT #168E

NORTH 1/2 OF THE NW 1/4 OF SECTION 19, T-28-N, R-11-W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO



LEGEND:

-  PINION GALLUP
-  OFFSET LESSEE
-  EXISTING WELL



P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505) 334-0408

SURVEYED: 03/25/13

REV. DATE:

CHECKED BY: A.D.

DRAWN BY: M.B.

DATE DRAWN: 04/15/13

FILE NAME: 10479M01

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Artesia, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-24863	² Pool Code 71599 & 50380	³ Pool Name BASIN DAKOTA
⁴ Property Code 000570	⁵ Property Name GALLEGOS CANYON UNIT	
⁶ OGRD No. 000778	⁷ Operator Name BP AMERICA PRODUCTION COMPANY	⁸ Well Number 168E
		⁹ Elevation 5598

¹⁰ Surface Location

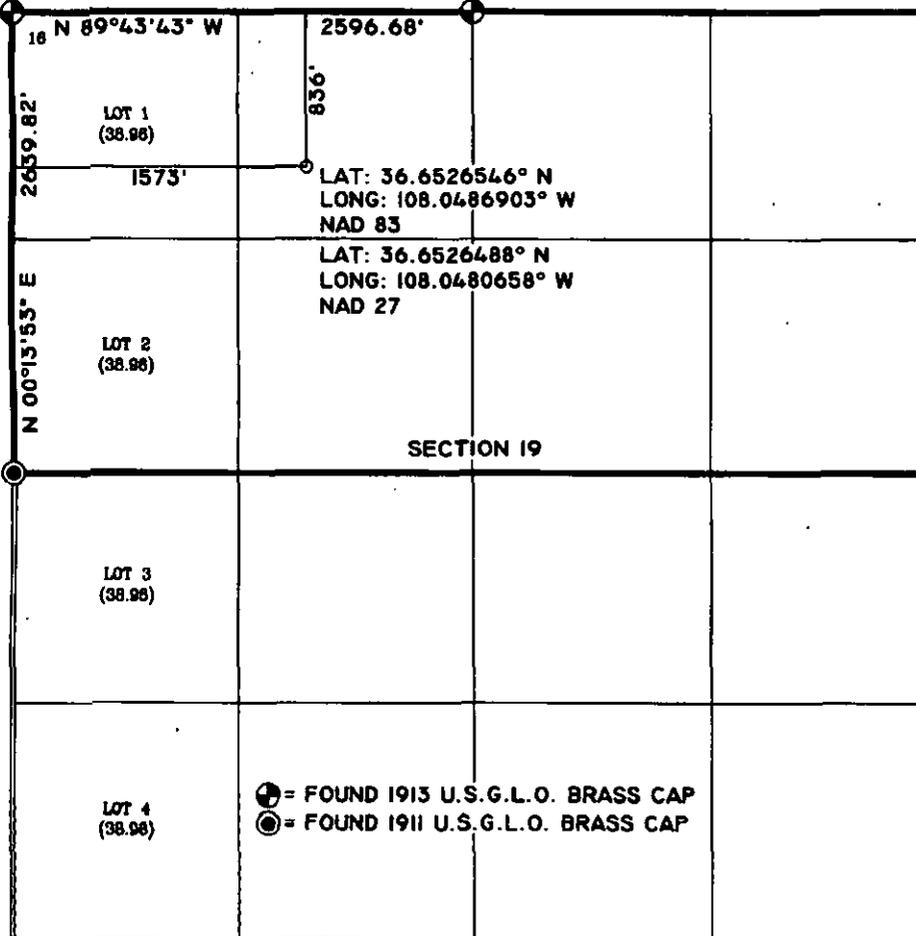
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	28 N	11 W		836	NORTH	1573	WEST	SAN JUAN

¹¹ 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

¹² Dedicated Acres 317.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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



17 OPERATOR CERTIFICATION

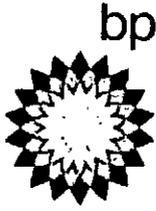
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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.

Toya Colvin 4/25/13
Signature Date
Toya Colvin
Printed Name
Toya.Colvin@bp.com
E-mail Address

18 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.

03/25/13
Date of Survey
Signature and Seal of Professional Surveyor
Marshall W. Linden
MARSHALL W. LINDEN
NEW MEXICO
4 17078
PROFESSIONAL SURVEYOR
17078
Certificate Number



BP America Production Company

Toya Colvin
Regulatory Analyst
501 Westlake Park Boulevard, Rm 4.423B
Houston, Texas 77079
281-366-4632

April 25, 2013

CERTIFIED MAIL:
Four Star Oil & Gas
c/o Chevron USA Inc.
Attn: Cory Wilson
1400 Smith Street
Houston, TX 77002

RE: Application for Administrative Approval for Non-Standard Location
Gallegos Canyon Unit Com 168E
836' FNL and 1573' FWL
Unit C Section 19, Township 28N, Range 11W
San Juan County, New Mexico
Basin Dakota & Pinon Gallup -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,

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Toya Colvin
Regulatory Analyst



BP America Production Company

Toya Colvin
Regulatory Analyst
501 Westlake Park Boulevard, Rm 4.423B
Houston, Texas 77079
281-366-4632

April 25, 2013

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

RE: Application for Administrative Approval for Non-Standard Location
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Sincerely,

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Toya Colvin
Regulatory Analyst

OFFSET OPERATORS AND OWNERS FOR GALLEGOS CANYON UNIT 168E

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

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

Four Star Oil & Gas
c/o Chevron USA Inc.
Attn: Cory Wilson
1400 Smith Street
Houston, TX 77002

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:

Four star Oil & Gas
 c/o Chevron USA Inc.
 Attn: Cory Wilson
 1400 Smith Street
 Houston, TX 77002

2. Article (Transit)

7003 0500 0004 9182 0720

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

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:

Farmington Resources Oil & Gas
 LP
 Attn: Land Dept.
 PO Box 4289
 Farmington, NM 87499-4289

2. Article Number (Transfer from service it.)

7003 0500 0004 9182 0690

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
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1. Article Addressed to:

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

2. Article Number (Transfer from service label)

7003 0500 0004 9182 1987

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
 Addressee

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