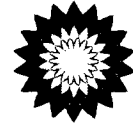
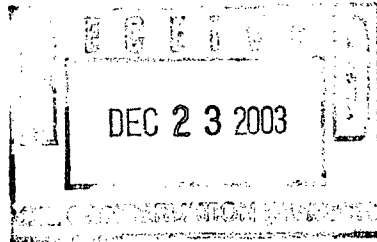


#247

bp



Amoco Production Company

A Part of the BP
501 WestLake Park Blvd.
Houston, TX 77079-3092

Phone: 281-366-2000

December 18, 2003

Bureau of Land Management
Farmington District Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401
Attn: Geneva McDugal

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
Attn: Ms. Lori Wrotenbery, Director

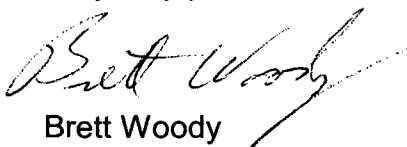
Re: 2003 Review of Operations
2004 Plan of Development
Gallegos Canyon Unit
San Juan County, New Mexico

Gentlemen:

BP America Production Company, as Unit Operator for the Gallegos Canyon Unit, submits for your approval the attached Review of 2003 Operations and 2004 Plan of Development.

Please signify your approval of this Plan of Development by signing in the space provided on the attached sheet and returning to me at the letterhead address. If you have any questions, please feel free to call me at (281) 366-4691.

Very truly yours,


Brett Woody

Enclosures

1999 Operations

FM	MMCF	MBO
Farmington Sands	89	
Fruitland Sands	12,211	
Fruitland Coal	33,714	
Pictured Cliffs	160,812	4
Gallup	11,050	3,150
Dakota	453,086	3,582

Production Status by Formation

FM	Active	Inactive
Farmington Sands	1	1
Fruitland Sands	22	6
Fruitland Coal	60	11
Pictured Cliffs	124	59
Gallup	6	17
Dakota	201	52

2000 Operations

FM	MMCF	MBO
Farmington Sands	91	
Fruitland Sands	11,861	
Fruitland Coal	35,608	
Pictured Cliffs	163,357	4
Gallup	9,809	2,005
Dakota	450,275	3,373

Production Status by Formation

FM	Active	Inactive
Farmington Sands	1	1
Fruitland Sands	21	3
Fruitland Coal	64	8
Pictured Cliffs	120	20
Gallup	6	16
Dakota	200	21

2001 Operations

FM	MMCF	MBO
Farmington Sands	100	
Fruitland Sands	12,215	
Fruitland Coal	39,800	
Pictured Cliffs	174,635	4
Gallup	8,719	1,943
Dakota	455,695	3,412

Production Status by Formation

FM	Active	Inactive
Farmington Sands	1	1
Fruitland Sands	21	3
Fruitland Coal	80	9
Pictured Cliffs	128	21
Gallup	6	17
Dakota	196	21

2002 Operations

FM	MMCF	MBO
Farmington Sands	242	
Fruitland Sands	12,950	
Fruitland Coal	42,586	
Pictured Cliffs	181,233	4
Gallup	8,738	1,945
Dakota	459,006	3,434
Chacra	206	2

Production Status by Formation

FM	Active	Inactive
Farmington Sands	2	1
Fruitland Sands	26	1
Fruitland Coal	81	5
Pictured Cliffs	132	10
Gallup	5	15
Dakota	204	4
Chacra	5	0

2003 Operations

Cumulative Production as of 6/30/03

FM	MMCF	MBO
Farmington Sands	286	
Fruitland Sands	13,258	
Fruitland Coal	43,913	
Pictured Cliffs	184,143	4
Gallup	8,787	1,946
Dakota	460,657	3,446
Chacra	288	2

Production Status by Formation

FM	Active	Inactive
Farmington Sands	2	1
Fruitland Sands	32	1
Fruitland Coal	88	3
Pictured Cliffs	149	7
Gallup	6	13
Dakota	202	7
Chacra	6	0

Review of 2003 Operations

Shown in Table I are the cumulative volumes of gas and condensate produced from each reservoir in the Gallegos Canyon Unit. Table II summarizes the well status in each horizon. Because Gallegos Canyon Unit has many down hole commingled wells producing from more than one formation, Table II reflects active completions rather than wellbores. Historical production graphs for each horizon are attached.

TABLE I
Cumulative Production as of 6/30/2003

FORMATION	GAS (MMCF)	CONDENSATE (MBLS)
Farmington Sands	286	
Fruitland Sands	13,258	
Fruitland Coal	43,913	
Pictured Cliffs	184,143	4
Chacra	288	2
Gallup	8,787	1,946
Dakota	460,657	3,446

TABLE II
Production Status by Formation as of 6/30/2003

FORMATION	ACTIVE	INACTIVE
Farmington Sands	2	1
Fruitland Sands	32	1
Fruitland Coal	88	3
Pictured Cliffs	149	7
Chacra	6	0
Gallup	6	13
Dakota	202	7

2003 GCU Development

Table III below shows the status of each of the proposed activities from the 2003 GCU Plan of Development. As of December 19, 2003, 4 new wells had been drilled and 15 wells have been recompleted.

TABLE III
2003 Work Status

WELL NO.	DEDICATION	TYPE	OBJECTIVE	STATUS
GCU 004	NE/4 34-T28N-R12W	Recomplete and commingle with FC	PC	Deferred
GCU 040	NE/4 29-T28N-R12W	Recomplete and commingle with FC	PC	Deferred
GCU 049	NE/4 31-T28N-R12W	Recomplete and commingle with FC	PC	Deferred
GCU 053	SW/4 36-T28N-R12W	Recomplete and commingle with FC	PC	In Progress
GCU 057	SW/4 35-T28N-R12W	Recomplete	PC	In Progress
GCU 93	W/2 36-T29N-R12W	Recomplete	FC	Completed - Unsuccessful
GCU 137	S/2 & SE/4 36-T28N-R13W	Recomplete	FC & PC	Scheduled for January 2004
GCU 146	E/2 06-T27N-R12W	Recomplete	FC	Restored Dakota
GCU 151	NE/4 21-T29N-R12W	Recomplete and Commingle with DK	CK	Cancelled
GCU GC 'D' 160	SE/4 27-T29N-R12W	Recomplete	CK	Deferred
GCU 163	S/2 26-T29N-R13W	Recomplete	FC	Completed - Unsuccessful
GCU 163E	S/2 26-T29N-R13W	Recomplete	FC	Completed - Unsuccessful
GCU 177	E/2 31-T28N-R12W	Recomplete	FC	Restored Dakota
GCU 178	N/2 04-T27N-R12W	Recomplete	FC	Completed - Successful
GCU GC 'H' 180	SE/4 28-T29N-R12W	Recomplete and commingle	FS & PC	Completed - Unsuccessful
GCU GC 'H' 180E	SW/4 28-T29N-R12W	Commingle GP with DK	GP & DK	Completed - Successful
GCU 182	S/2 19-T28N-R11W	Recomplete	FC	Completed - Evaluating
GCU 184	E/2 28-T28N-R12W	Recomplete	FC	Cancelled
GCU 192	E/2 30-T28N-R12W	Recomplete	FC	Completed - Evaluating
GCU 192E	E/2 30-T28N-R12W	Recomplete	FC	Completed - Successful
GCU 195E	S/2 33-T29N-R12W	Recomplete	FC	Completed - Evaluating
GCU 196	SW/4 19-T28N-R12W	Recomplete and commingle with FC and DK	PC	Deferred
GCU 204E	E/2 34-T28N-R12W	Recomplete	PC	Completed - Evaluating
GCU 243E	E/2 24-T28N-R12W	Recomplete	FC	Deferred
GCU 244	S/2 & SE/4 36-T28N-R12W	Recomplete	FC & PC	Completed - Evaluating
GCU 265E	W/2 & SW/4 25-T28N-R12W	Recomplete and commingle	FC & PC	Cancelled

WELL NO.	DEDICATION	TYPE	OBJECTIVE	STATUS
GCU 326	W/2 36-T29N-R13W	Recomplete	FC	Completed - Unsuccessful
GCU 340	NW/4 24-T29N-R13W	Recomplete and commingle with FS	PC	Completed - Successful
GCU 503	SE/4 18-T29N-R12W	Recomplete and commingle with PC	FS	Cancelled
GCU 510	NE/4 28-T29N-R12W	Recomplete and commingle with PC	FS	Completed - Unsuccessful
GCU 542	NW/4 27-T29N-R12W	T&A	PC	Deferred
GCU 559	E/2 19-T29N-R12W	Drill	FC	Deferred
GCU 560	S/2 20-T29N-R12W	Drill	FC	Deferred
GCU 572	SE/4 19-T28N-R12W	Drill	PC	Deferred
GCU 583	S/2 04-T27N-R12W	Drill	FC	Scheduled for January 2004
GCU 584	NW/4 18-T28N-R12W	Drill	PC	Completed - Successful
GCU 585	SW/4 29-T28N-R12W	Drill	PC	Deferred
GCU 590	N/2 13-T29N-R13W	Drill	FC	Deferred
GCU 591	S/2 13-T29N-R13W	Drill	FC	Deferred
GCU 592	N/2 17-T29N-R12W	Drill	FC	Deferred
GCU 593	W/2 18-T29N-R12W	Drill	FC	Deferred
GCU 594	E/2 18-T29N-R12W	Drill	FC	Deferred
GCU 595	W/2 19-T29N-R12W	Drill	FC	Completed - Evaluating
GCU 596	N/2 21-T29N-R12W	Drill	FC	Deferred
GCU 597	S/2 21-T29N-R12W	Drill	FC	Completed - Unsuccessful
GCU 598	S/2 & SW/4 22-T29N-R12W	Drill and commingle	FC & CK	Completed CK - Successful
GCU 599	N/2 20-T28N-R12W	Drill	FC	Deferred
GCU 227	N/2 20-T28N-R12W	P&A	DK	T&A
GCU 229E	E/2 21-T28N-R12W	P&A	DK	Completed P&A
GCU 242	W/2 24-T28N-R12W	P&A	DK	T&A
GCU 297	NE/4 15-T28N-R12W	P&A	PC	Evaluating for Compression

2004 Plan of Development

BP America will continue to develop the Fruitland Sand, Fruitland Coal, Pictured Cliffs and Chacra horizons within the Gallegos Canyon Unit through recompletions, commingling and selective drilling. However, as higher risk prospects have been carried out, the success rate has decreased dramatically. This is driving BP America to pause and assess the operating and reservoir characteristics that appear to be most controlling results. Recent 160 Acre Fruitland Coal completions have been particularly disappointing. Current 2004 plans include the drilling of only 1 new well and recompleting 3 existing wellbores from the list below. Some of the recompletions will involve commingling the recompleted horizon with the current producing horizon.

Table IV
Development Projects

WELL NO.	DEDICATION	TYPE	OBJECTIVE	PERMIT STATUS
GCU 003	W/2 24-T28N-R12W	Recomplete and commingle with FC	PC	Preparing for Submission
GCU 004	NE/4 34-T28N-R12W	Recomplete and commingle with FC	PC	Preparing for Submission
GCU 040	NE/4 29-T28N-R12W	Recomplete and commingle with FC	PC	Preparing for Submission
GCU 137	S/2 & SE/4 36-T28N-R13W	Recomplete	FC & PC	Scheduled for January 2004
GCU 169	E/2 35-T29N-R12W	Recomplete	PC	Scheduled for January 2004
GCU 243E	E/2 24-T28N-R12W	Recomplete	FC	Preparing for Submission
GCU 572	SE/4 19-T28N-R12W	Drill	PC	Preparing for Submission
GCU 583	S/2 04-T27N-R12W	Drill	FC	Scheduled for January 2004
GCU 585	SW/4 29-T28N-R12W	Drill	PC	Preparing for Submission

TABLE V
2004 Plug and Abandon Candidates

WELL NO.	DEDICATION	CURRENT HORIZON	OTHER PRODUCED OR TESTED HORIZONS
GCU 012	NE/4 33-T28N-R12W	PC	FC
GCU 018	E/2 21-T28N-R12W	FC/PC	None
GCU 176E	N/2 25-T28N-R13W	FC/DK	None
GCU 227	N/2 20-T28N-R12W	DK	None
GCU 242	W/2 24-T28N-R12W	DK	None
GCU 246	E/2 35-T28N-R12W	DK	None
GCU 400E	N/2 25-T28N-R12W	FC	DK

GALLEGOS CANYON UNIT AREA

2004 PLAN OF DEVELOPMENT

APPROVED: _____ **Dated:** _____

Bureau of Land Management
(Subject to like approval by the Commissioner of Public Lands and the Oil
Conservation Division)

APPROVED: _____ **Dated:** _____

Commissioner of Public Lands
(Subject to like approval by the Bureau of Land Management and the Oil
Conservation Division)

APPROVED:  _____ **Dated:** 1/16/04

Oil Conservation Division
(Subject to like approval by the Bureau of Land Management and the
Commissioner of Public Lands)

The foregoing approvals are for the 2004 Plan of Development for the Gallegos Canyon
Unit.



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

December 19, 2003

Amoco Production Company
501 Westlake Park Blvd.
Houston, Texas 77079-3092

Attn: Mr. Brett Woody

Re: 2003 Plan of Development
1st Revision
Gallegos Canyon Unit
San Juan County, New Mexico

RECEIVED

DEC 31 2003

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Woody:

The Commissioner of Public Lands has, of this date, approved the above-captioned First Revised Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

for
BY:

Pete Martinez
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/cpm
xc: Reader File

OCD

BLM



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

December 19, 2003

RECEIVED

DEC 31 2003

Amoco Production Company
501 Westlake Park Blvd.
Houston, Texas 77079-3092

Attn: Mr. Brett Woody

Re: 2003 Plan of Development
2nd Revision
Gallegos Canyon Unit
San Juan County, New Mexico

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Woody:

The Commissioner of Public Lands has, of this date, approved the above-captioned First Revised Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

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Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

for BY: *Pete Martinez*
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/cpm
xc: Reader File

OCD

BLM



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

RECEIVED

JAN 2 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

December 30, 2003

Amoco Production Company
501 Westlake Park Blvd.
Houston, Texas 77079-3092

Attn: Mr. Brett Woody

Re: 2004 Plan of Development
Gallegos Canyon Unit
San Juan County, New Mexico

Dear Mr. Woody:

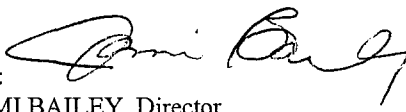
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Very truly yours,

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COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/cpm
xc: Reader File

OCD

BLM