

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



February 17, 2016

BP America Production Company
Attn: Ms. Toya Colvin

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7386
Administrative Application Reference No. pMAM1604838098

BP America Production Company
OGRID 778
AL Elliott D 10 Well No. 1H Lateral 2
API No. 30-045-35721

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	985` FSL & 55` FEL	P	11	29N	9W	San Juan
Penetration Point	994` FSL & 185` FEL	P	11	29N	9W	San Juan
Final Penetration (Terminus)	1276` FSL & 710` FWL	M	11	29N	9W	San Juan

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 Section 11	320	Basin Fruitland Coal (Gas)	71629

Reference is made to your application received on January 21, 2016.

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. Spacing in this pool is governed by the Special Rules and Regulations for the Basin Fruitland Coal (Gas) Pool, as amended by Order No. R-8768-F, effective July 17, 2003, which provide generally for 320-acre units with wells to be located at least 660 feet from any unit boundary. This location is unorthodox because portions of the proposed completed interval are less than 660 feet from an outer boundary of the project area.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location because the entry point was the best location for penetration into the project area.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

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

Done at Santa Fe, New Mexico, on February 17, 2016.



DAVID R. CATANACH
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management - Farmington
Well File – 30-045-35721