

12/9/04 DATE IN	12/9/04 SUSPENSE	ENGINEER jones	LOGGED IN 12/9/04	TYPE PC	PRNO PSEM0434443688
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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.

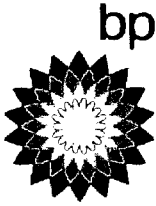
Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mary Corley
 Print or Type Name

Signature

Sr. Regulatory Analyst 12/07/2004
 Title Date
 corleym@bp.com
 e-mail Address

2004 DEC 9 PM 12 00



San Juan South Asset

Mary Corley
WL1-19.171
281-366-4491 (direct)
281-366-0700 (FAX)
corleyml@bp.com

P. O. Box 3092
Houston, Texas 77253-3092
501 Westlake Park Boulevard
Houston, Texas 77079

December 7, 2004

New Mexico Oil Conservation Division
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501

Surface Commingling Notice
Florance Well No. 108
Largo 31B Well No. 18
Section 31, T29N, R08W
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Blanco Pictured Cliffs and Basin Fruitland Coal Pools. Surface commingling Blanco Pictured Cliffs production will be from the Florance Well No. 108 and Basin Dakota production will be from the Largo 31B Well No. 18. Both of these 'leases' are of the same base lease with different royalty ownership between formations.

The production from each well will be metered prior to commingling then the commingled production will flow into through the separator where the liquids will be removed. The commingled gas will then be sent through compression prior to entering the sales meter.

All interest owners are being notified by being furnished a copy of this application on December 7, 2004, via certified mail return receipt requested.

Attached in support of our application and in compliance with NMOCD Rule 303(B) are the following documents:

1. A Plat with lease boundaries showing all well and facility locations.
2. Site Facility Schematic Flow Diagram
3. Address listing of all Interest Owners Notified
4. Form C-107-B

Should you have any questions concerning this matter please contact me at 281-366-4491.

Yours very truly

A handwritten signature in cursive script that reads "Mary Corley".
Mary Corley
Sr. Regulatory Analyst

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: **BP America Production Company**

OPERATOR ADDRESS: **P O Box 3092 Houston, TX 77253**

APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Blanco Pictured Cliffs	1166 BTU	1166 BTU		1054	1054
Basin Fruitland Coal	1132 BTU	1132 BTU		1301	1301

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: _____

TITLE: **Sr. Regulatory Analyst**

DATE: **12/07/2004**

TYPE OR PRINT NAME **Mary Corley**

TELEPHONE NO.: **281-391-8912**

E-MAIL ADDRESS: **corleyml@bp.com**

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, 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 and Natural Resources

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

Form C-103
Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. Reference Below
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE FEE
2. Name of Operator BP America Production Company Attn: Mary Corley		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 3092 Houston, TX 77253		7. Lease Name or Unit Agreement Name: Florance 108 & Largo 31B 18 (Federal Lease SF - 080597 BLM Notified on Form 3160-5)
4. Well Location Unit Letter <u>B</u> (see C-102) feet from the <u>North</u> line and _____ feet from the <u>East</u> line Section <u>31</u> Township <u>29N</u> Range <u>08W</u> NMPM <u>San Juan</u> County		8. Well No. Nos. 108 & 18
10. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. Pool name or Wildcat Blanco PC & Basin FC

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Surface Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BP America Production Company request permission to surface commingle production the Blanco Pictured Cliffs and Basin Fruitland Coal Pools from our Florance No. 108 & Largo 31B No. 18. Surface commingling Blanco Pictured Cliffs production will consist of the Florance No. 108 API 30-045-23420 and Basin Fruitland Coal production will be from the Largo 31B No. 18 API 30-045-28659. The production from each well will be metered prior to commingling then the commingled production will flow into through the separator where the liquids will be removed. The commingled gas will then be sent through compression prior to entering the sales meter. Please reference the attached schematics reflecting the Proposed Surface Commingling Layout provided for your reference.

All interest owners are being notified by being furnished a copy of this application on December 7, 2004, via certified mail return receipt requested. A Listing of the ownership notification is attached for your reference. The proposed commingling of production is to reduce operating expenses between the wells and will result in increased economic life of the wells.

BLM has also been notified of this proposal by copy of BLM Form 3160-5.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mary Corley TITLE Sr. Regulatory Analyst DATE 12/07/2004

Type or print name Mary Corley Telephone No. 281-366-4491

(This space for State use)

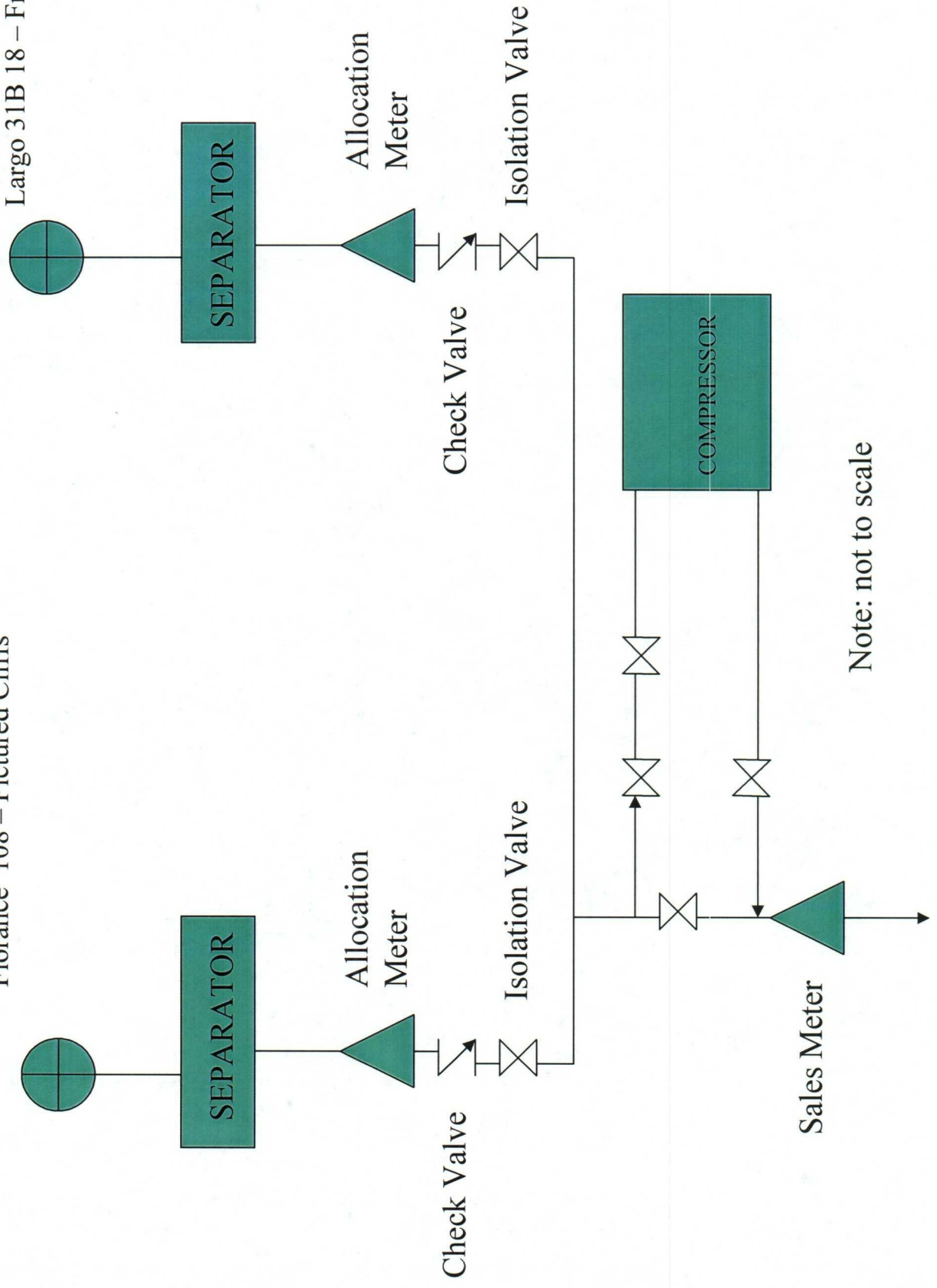
APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

Proposed Shared Compression

Florance 108 – Pictured Cliffs

Largo 31B 18 – Fruitland Coal



District I
1625 N. French Dr., Hobbs, NM 88240

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811 South First, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 71629 & 72359	³ Pool Name Basin Fruitland Coal & Blanco Pictured Cliffs
⁴ Property Code 20214 & 00518	⁵ Property Name Largo 31B & Florance	⁶ Well Number Nos 18 & 108
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation




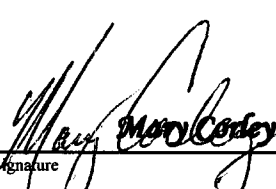
¹⁰ Surface Location

UL or lot no. Unit B	Section 31	Township 29N	Range 08W	Lot Idn	Feet from	North/South North	Feet from	East/West East	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet	East/West	County
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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

Largo 31B 18 30-045-28659 1149' FNL & 1519' FEL Unit outline 		Florance 108 30-045-23420 1010' FNL & 1510' FEL Unit outline 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Mary Corley Printed Name Sr. Regulatory Analyst Title 12/07/2004 Date
		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. on file Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

AAAAAA
BEGIN
Florance
698066

ZZZZZZ
END
Largo 31B 18
190857

APCO MINERALS LTD
PO BOX 459
CORPUS CHRISTI, TX, 78403-0459

ATWILL, DOUGLAS E
604B CANYON RD
SANTA FE, NM, 87501

ATWILL, EDWARD R
PO BOX 1551
TUBAC, AZ, 85646-1551

ATWILL, JAMES H
PO BOX 1810
PORT ARANSAS, TX, 78373-1810

BEAMON, R E, III
2603 AUGUSTA STE 1050
HOUSTON, TX, 77057-5640

BP AMERICA PRODUCTION COMPANY
LEASE RENTALS
PO BOX 22047
TULSA, OK, 74121-2047

CALLOWAY, ELIZABETH TURNER
PO BOX 191767
DALLAS, TX, 75219-1767

CARTER, HAROLD D, TRUSTEE
5949 SHERRY LN STE 1475
DALLAS, TX, 75225-8002

CONOCOPHILLIPS COMPANY
22295 NETWORK PLACE
CHICAGO, IL, 60673-1222

COOKSEY FAMILY TRUST
ROBERT A COOKSEY TRUSTEE
4925 GREENVILLE - BOX 92
DALLAS, TX, 75206

FLORANCE LIMITED COMPANY
C/O NORTHERN TRUST BANK OF TX
ACCOUNT #23113000
P O BOX 226270
DALLAS, TX, 75222-6270

FLORANCE, M J, TRUST
NORTHERN TRUST BANK OF TEXAS NA
SUCCESSOR TRUSTEE #02-11301
PO BOX 226270
DALLAS, TX, 75222-6270

GILMER, CLAUDIA MARCIA LUNDELL
101 OAK MEADOWS DR
GEORGETOWN, TX, 78628

GODFREY, RICHARD H, REVOCABLE TRUST
RICHARD H GODFREY JR SUCCESSOR
TRUSTEE
PO BOX 18661
OKLAHOMA CITY, OK, 73154-0661

GROVER FAMILY L P
PO BOX 3666
MIDLAND, TX, 79702-3666

HILL, MOZELLE C
1628 ASHLING DR
OKLAHOMA CITY, OK, 73118

JONES FAMILY TRUST
EVERETT R JONES JR TRUSTEE
STE 1420 LB #12
8080 N CENTRAL EXPRESSWAY
DALLAS, TX, 75206-1838

KEARNS, MARGARET A, TRUST
U/A F/B/O HELENE D GORMAN
HELENE D GORMAN TRUSTEE
1440 OSPREY AVE
NAPLES, FL, 34102-3464

KENNEDY, W D, ESTATE
SAN JUAN ROYALTY JV-90
MARY BLANTON KENNEDY PERS REP
550 WEST TEXAS #1225
MIDLAND, TX, 79701-4257

KENYON 1994 FAMILY TRUST
DAVID G AND KAREN L KENYON TRUSTEES
7200 REDWOOD BLVD #404
NOVATO, CA, 94945

KENYON, DEAN C
1009 HEATHERFIELD AVE
ROSAMOND, CA, 93560

KENYON, MARK L
1540 CENTER RD #162
NOVATO, CA, 94947

LEETON, JAMES R, JR
SAN JUAN ROYALTY JV-90 ACCOUNT
PO BOX 10561
MIDLAND, TX, 79701

LINDSEY, LINDA JEANNE LUNDELL
PO BOX 631565
NACOGDOCHES, TX, 75963

LUNDELL, ROBERT WALTER
2450 FONDREN #304
HOUSTON, TX, 77063-2306

MINERALS MANAGEMENT SERVICE
ROYALTY MANAGEMENT PROGRAM
PO BOX 5810 TA
DENVER, CO, 80217-5810

NINETY SIX CORPORATION
550 W TEXAS AVE STE 1225
MIDLAND, TX, 79701

PRIMITIVE PETROLEUM INC
4514 ROBIN LANE
MIDLAND, TX, 79707

PURE RESOURCES LP
ATTN OBO JOINT VENTURE ACCTG
500 W ILLINOIS ST
MIDLAND, TX, 79701

STONE, E HUNTER, II TRUST
PO BOX 61419
DENVER, CO, 80206-8419

THOMPSON, MARY VIRGINIA
PO BOX 8224
SANTA FE, NM, 87504-8224

TURNER, FRED E
ONE ENERGY SQUARE
4925 GREENVILLE AVE STE 852
DALLAS, TX, 75206-4079

TURNER, J GLENN, JR
TWO TURTLE CREEK VILLAGE
3838 OAK LAWN STE 1450
DALLAS, TX, 75219

TURNER, JOHN L
PMB 285
317 SIDNEY BAKER SOUTH #400
KERRVILLE, TX, 78028

WATERFALL, NEAL S, FAMILY TRUST
NEAL S WATERFALL TRUSTEE
14438 NE 16TH PL
BELLEVUE, WA, 98007-3904

WATFORD, GLADYS, TRUST
ANNE V POGSON, SUCCESSOR TSTE
12112 TALMAY DR
DALLAS, TX, 75230

WILLIAMS, L DORIS, TRUST
WILLIAM P TRAYLOR AND JOHN G HEARD
CO-INDEPENDENT TRUSTEES
PO BOX 20606
HOUSTON, TX, 77225-0606

WINTERER, EDWARD AND JACQUELINE
REVOCABLE TRUST NO 1 DTD 12-4-91
EDWARD & D JACQUELINE WINTERER TRSTE
289 OCEAN VIEW
DEL MAR, CA, 92014-3321

XTO ENERGY INC
135 S LASALLE ST DEPT 4849
CHICAGO, IL, 60674-4849