

DATE IN 9/15/06	SUSPENSE 10/6/06	ENGINEER W. Jones	LOGGED IN 9/15/06	TYPE PC	APP NO. PTDSOL-25354050
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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



2006 SEP 15 PM 2:11

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.

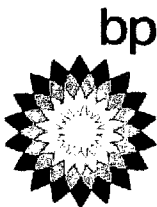
Kristina Hurts
 Print or Type Name

Signature

Regulatory Analyst
 Title

09/11/2006
 Date

Kristina.hurts@bp.com
 e-mail Address



San Juan South Asset

Kristina Hurts
WL1-19.134
281-366-3866 (direct)
281-366-0700 (FAX)
kristina.hurts@bp.com

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

September 11, 2006

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

Surface Commingling Notice
Jenkins Com 1
Marsrow Gas Com 1E
Section 15, T29N, R12W
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Fulcher Kutz Pictured Cliffs and Basin Dakota. Surface commingling Pictured Cliffs production will be from the Jenkins Com 1 and Basin Dakota production will be from the Marsrow Gas Com 1E. Both of these wells are on the same base lease with different ownership between formations.

The production from each well will be separated & metered prior to commingling. The commingled gas will then be sent through compression prior to entering the sales meter.

All Interest Owners were notified by copy of this application on Sept 11, 2006, via certified mail return receipt requested. (Please see attached)

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. Names & Addresses listing Interest Owners Notified
4. Form C-107-B
5. Form C-103

Should you have any questions concerning this matter please contact me at 281-366-3866.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristina Hurts", written over a horizontal line.

Kristina Hurts
Regulatory Analyst

CC: NMOCD Aztec, NM

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

Form C-103
Revised March 25, 1999

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

WELL API NO.

Reference Below

5. Indicate Type of Lease

STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

Jenkins Com & Marsrow Gas Com
(Federal Lease NM-048573 BLM Notified on
Form 3160-5)

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.)

1. Type of Well:

Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

BP America Production Company Attn: Kristina Hurts

8. Well No.

Nos. 1 & 1E

3. Address of Operator

P.O. Box 3092 Houston, TX 77253

9. Pool name or Wildcat

Fulcher Kutz PC & Basin Dakota

4. Well Location

Unit Letter L (see C-102) feet from the South line and _____ feet from the West line

Section 15 Township 29N Range 12W NMPM San Juan County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 respectfully request authorization to surface commingle gas production from the Fulcher Kutz PC and Basin Dakota from our Jenkins Com 1 & Marsrow Gas Com 1E. Surface commingling Fulcher Kutz PC production will consist of the Jenkins Com 1 API 30-045-29234 and DK production will be from the Marsrow Gas Com 1E API 30-045-24007. 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.

The working interest, royalty and overriding royalty interest owners in the subject wells are different therefore notification is required (sent certified return receipt 09/11/06). 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

Kristina Hurts

TITLE Regulatory Analyst

DATE 09/11/06

Type or print name

Kristina Hurts

Telephone No. 281-366-3866

(This space for State use)

APPROVED BY

TITLE

DATE

Conditions of approval, if any:

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
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 See Below	² Pool Code 77200, 71599	³ Pool Name Fulcher Kutz Picture Cliffs & Dakota
⁴ Property Code 16966 & 000821	⁵ Property Name Jenkins Com & Marsrow Gas Com	⁶ Well Number 1 & 1E
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation

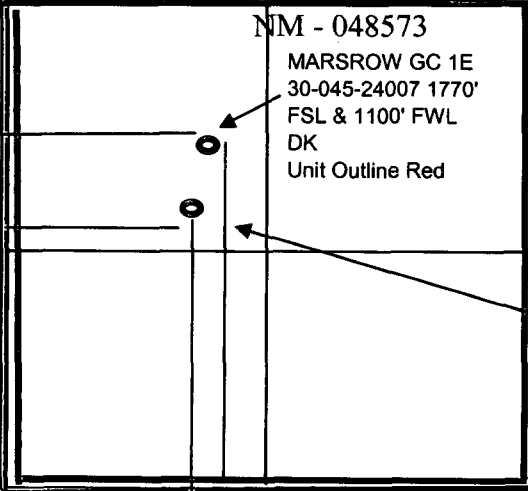

¹⁰ Surface Location

UL or lot no. L	Section 15	Township 29N	Range 12W	Lot Idn	Feet from	North/South South	Feet from	East/West West	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 160 & 320	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

	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Kristina Hurts Printed Name Regulatory Analyst Title 9/11/2006 Date			
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> on file Date of Survey Signature and Seal of Professional Surveyor:			
	Certificate Number			

SHARED COMPRESSOR SCHEMATIC FOR Jenkins Com 1 & Marsrow

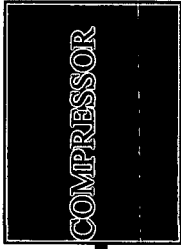
Gas Com 1E SECTION 15, T29N, R12W Jenkins Com 1 (PC)

Access Road

SEPARATOR



CDP SALES
METER



ALLOCATION
METER

Approximately
100 feet of
undisturbed land

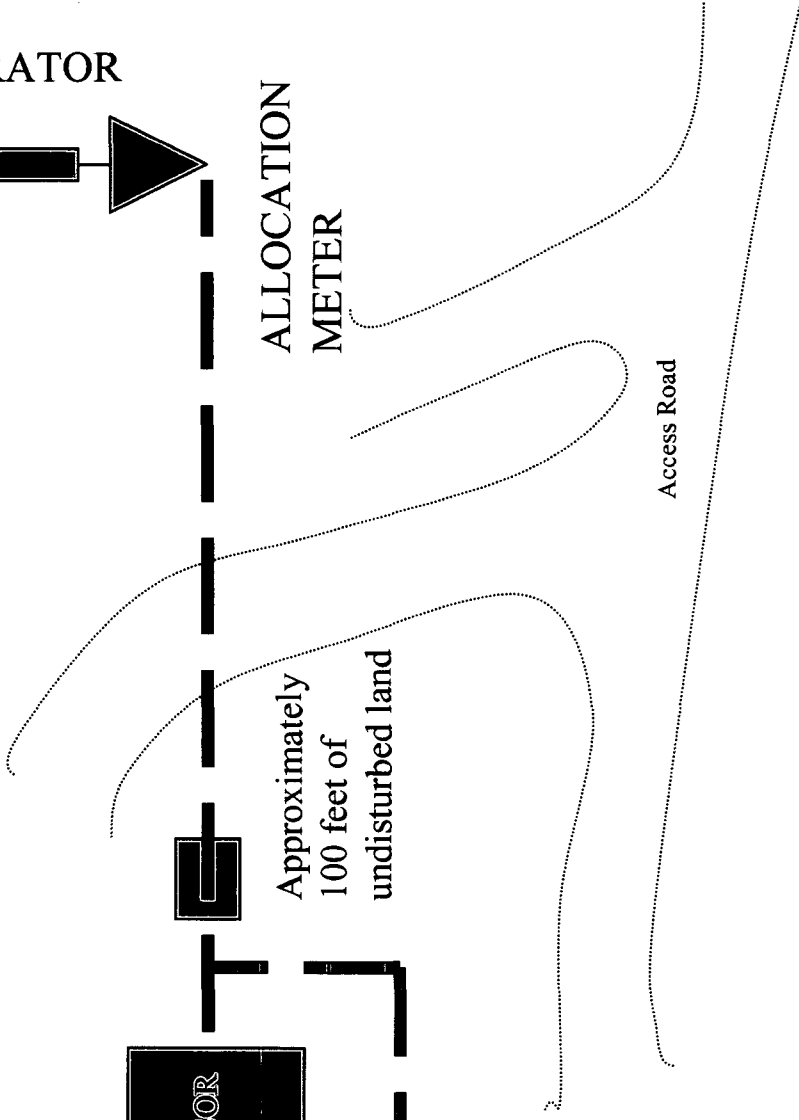
ALLOCATION
METER

Marsrow Gas
Com 1E (DK)



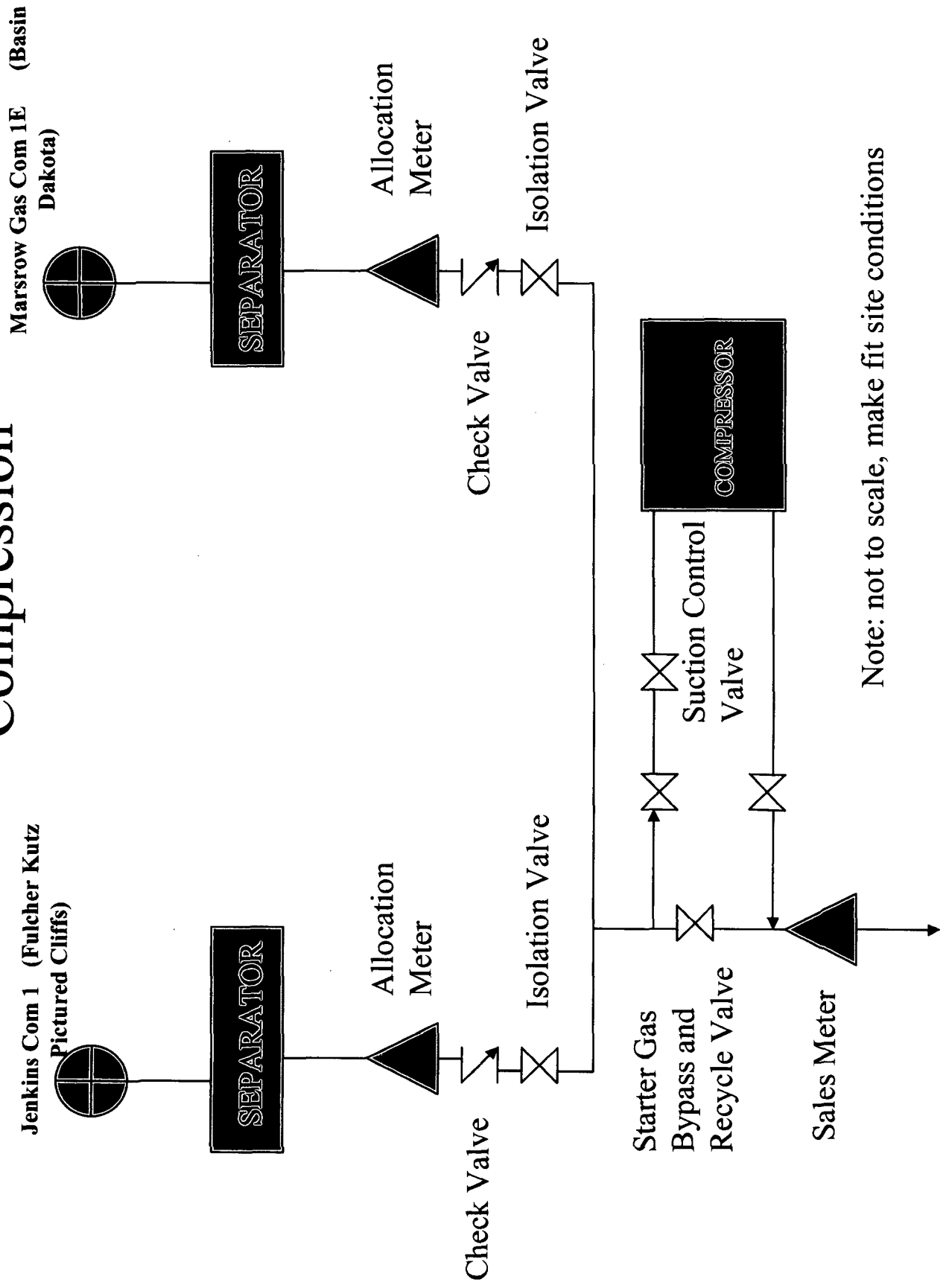
SEPARATOR

Access Road



Jenkins Com 1 & Marsrow Gas Com 1E Shared

Compression



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
Fulcher Kutz Pictured Cliffs 77200	1015 BTU	1015 BTU		200 MCFD	200
Basin Dakota 71599	1159 BTU	1159 BTU		20 MCFD	20

(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)

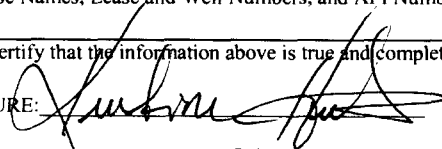
Please attach sheets with the following information

(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: **Regulatory Analyst** DATE: **09/11/06**

TYPE OR PRINT NAME **Kristina Hurts**

TELEPHONE NO.: **281-366-3866**

E-MAIL ADDRESS: **kristina.hurts@bp.com**

BETTY JOE DOLAN LOVING TR
BETTY JOE DOLAN TRUSTEE
3800 W 71ST ST SOUTH, APT 3101
TULSA, OK 74132

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

LAURENCE CORBETT KELLY , TRUST
STEVE COLDWELL SUCCESSOR TRUSTEE
C/O COLDWELL, SCLAFANI & CO
3239 VERDUGO RD
GLENDALE, CA 91208-1633

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

NANCY O MABE , TRUST
DTD SEPTEMBER 21, 1994
NANCY O MABE TRUSTEE
PO BOX 229
LIBERTY, MO 64069

ROSE M BLOUNT , TRUST
MADONNA LEE TRUSTEE
1542 WHISPERING OAKS
BRIGHTON, MI 48116-2064

SABINE ROYALTY TRUST
BANK OF AMERICA - ESCROW AGENT
LBX 840887
DALLAS, TX 75284-0887