

DATE IN <u>10/30/06</u>	SUSPENSE	W. JONES ENGINEER	LOGGED IN <u>10/30/06</u>	TYPE <u>PC</u> <u>1179</u>	APP NO. <u>P7D50630360743</u>
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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



**RECEIVED**

OCT 30 2006

**ADMINISTRATIVE APPLICATION CHECKLIST**

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

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.

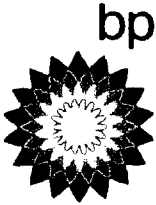
Cherry Hlava  
Print or Type Name

Cherry Hlava  
Signature

Regulatory Analyst  
Title  
hlavacl@bp.com  
e-mail Address

10/26/2006  
Date

*Call 1179 AM  
For Landman  
Certification*



San Juan South Asset

Cherry Hlava  
WL1-19.132  
281-366-4081 (direct)  
281-366-0700 (FAX)  
[Hlavacl@bp.com](mailto:Hlavacl@bp.com)

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

October 26, 2006

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

Surface Commingling Notice  
Canepile Gas Com 1M  
Canepile Gas Com 1N  
Section 18, T31N, R10W  
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Basin Dakota & Blanco Mesaverde. Surface commingling Dakota & Mesaverde production will be from both the Canepile GC 1M (api 30-045-30578) & the Canepile GC 1N (api 30-045-32717). Both of these 'leases' are of the same base lease with same ownership between formations.

The production from each well will be separated & metered prior to commingling; 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 the same therefore no notification is necessary.

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

1. Plats with lease boundaries showing all well and facility locations.
2. Site Facility Schematic Flow Diagram
3. Form C-107-B

Should you have any questions concerning this matter please contact me at 281-366-4081.

Yours very truly

A handwritten signature in cursive script that reads 'Cherry Hlava'.

Cherry Hlava  
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 BTU of Commingled Production	Volumes
<b>Basin Dakota 71599 (#1M)</b>	<b>1137 BTU</b>	<b>1137 BTU</b>		<b>1500</b>	<b>1500</b>
<b>Blanco Mesaverde 72319 (#1N)</b>	<b>1125 BTU</b>	<b>1125 BTU</b>		<b>1500</b>	<b>1500</b>

(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: Cherry Hlava TITLE: Regulatory Analyst DATE: 10/26/2006

TYPE OR PRINT NAME Cherry Hlava TELEPHONE NO.: 281-366-4081

E-MAIL ADDRESS: hlavacl@bp.com

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240  
**DISTRICT II**  
311 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 and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 18, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

APN Number <b>30-045-30578</b>	Pool Code <b>71599 &amp; 72319</b>	Pool Name <b>Basin Dakota &amp; Blanco Messaverde</b>
Property Code <b>000355</b>	Property Name <b>CANEPLA GAS COM.</b>	Well Number <b>1M</b>
OCRID No. <b>000778</b>	Operator Name <b>AMOCO PRODUCTION COMPANY</b>	Elevation <b>5914' GR</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot. Ids	Feet from the	North/South Line	Feet from the	East/West Line	County
UNIT O	18	31N	10W		890'	SOUTH	2310'	EAST	San Juan

**Bottom Hole Location if Different From Surface**

UL or lot no.	Section	Township	Range	Lot. Ids	Feet from the	North/South Line	Feet from the	East/West Line	County
Dedicated Acreage: <b>3.1681</b> Joint or Infill: <b>NO</b> Consolidation Code: <b></b> Order No.: <b></b>									

**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**

		<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Mary Cordy Cherry</i> Printed Name: <b>Mary Cordy</b> Position: <b>Sr. Regulatory Analyst</b> Date: <b>01/22/2001</b>
<b>18</b>		<b>SURVEYOR CERTIFICATION</b> 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. Date of Survey: <b>September 25, 2000</b> Signature and Seal of Registered Surveyor:  <b>7016</b> Certificate Number

(R) - BLM Record

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., 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 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Permit 3122

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-32717	Pool Name BLANCO-MESAVERDE (PRORATED GAS)	Pool Code 72319
Property Code 355	Property Name CANELE GAS COM	Well No. 001N
OGRID No. 778	Operator Name BP AMERICA PRODUCTION COMPANY	Elevation 5910

Surface Location

UL or Lot O	Section 18	Township 31N	Range 10W	Lot Idn 6	Feet From 960	N/S Line S	Feet From 2245	E/W Line E	County San Juan
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Bottom Hole Location If Different From Surface

UL or Lot K	Section 18	Township 31N	Range 10W	Lot Idn K	Feet From 1440	N/S Line S	Feet From 2140	E/W Line W	County San Juan
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Dedicated Acres 318.81	Joint or Infill	Consolidation Code	Order No.
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	K BH		
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

OPERATOR CERTIFICATION

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

Electronically Signed By: Mary Corley

Title: Manager

Date: 12/03/2004

Cherry Hlava 10-26-06

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.

Surveyed By: Gary D Vann

Date of Survey: 05/05/2004

Certificate Number: 7016

Form C-102  
Permit 3122

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-32717	Pool Name BASIN DAKOTA (PRORATED GAS)	Pool Code 71599
Property Code 355	Property Name CANEPL GAS COM	Well No. 001N
OGRID No. 778	Operator Name BP AMERICA PRODUCTION COMPANY	Elevation 5910

### Surface Location

UL or Lot O	Section 18	Township 31N	Range 10W	Lot Idn 6	Feet From 960	N/S Line S	Feet From 2245	E/W Line E	County San Juan
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### Bottom Hole Location If Different From Surface

UL or Lot K	Section 18	Township 31N	Range 10W	Lot Idn K	Feet From 1440	N/S Line S	Feet From 2140	E/W Line W	County San Juan
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Dedicated Acres 318.81	Joint or Infill	Consolidation Code	Order No.
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	k	BH	
		x	x

### OPERATOR CERTIFICATION

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

Electronically Signed By: Mary Corley

Title: Manager

Date: 12/03/2004

4 Cherry Hava 10-26-06

## SURVEYOR/CERTIFICATION

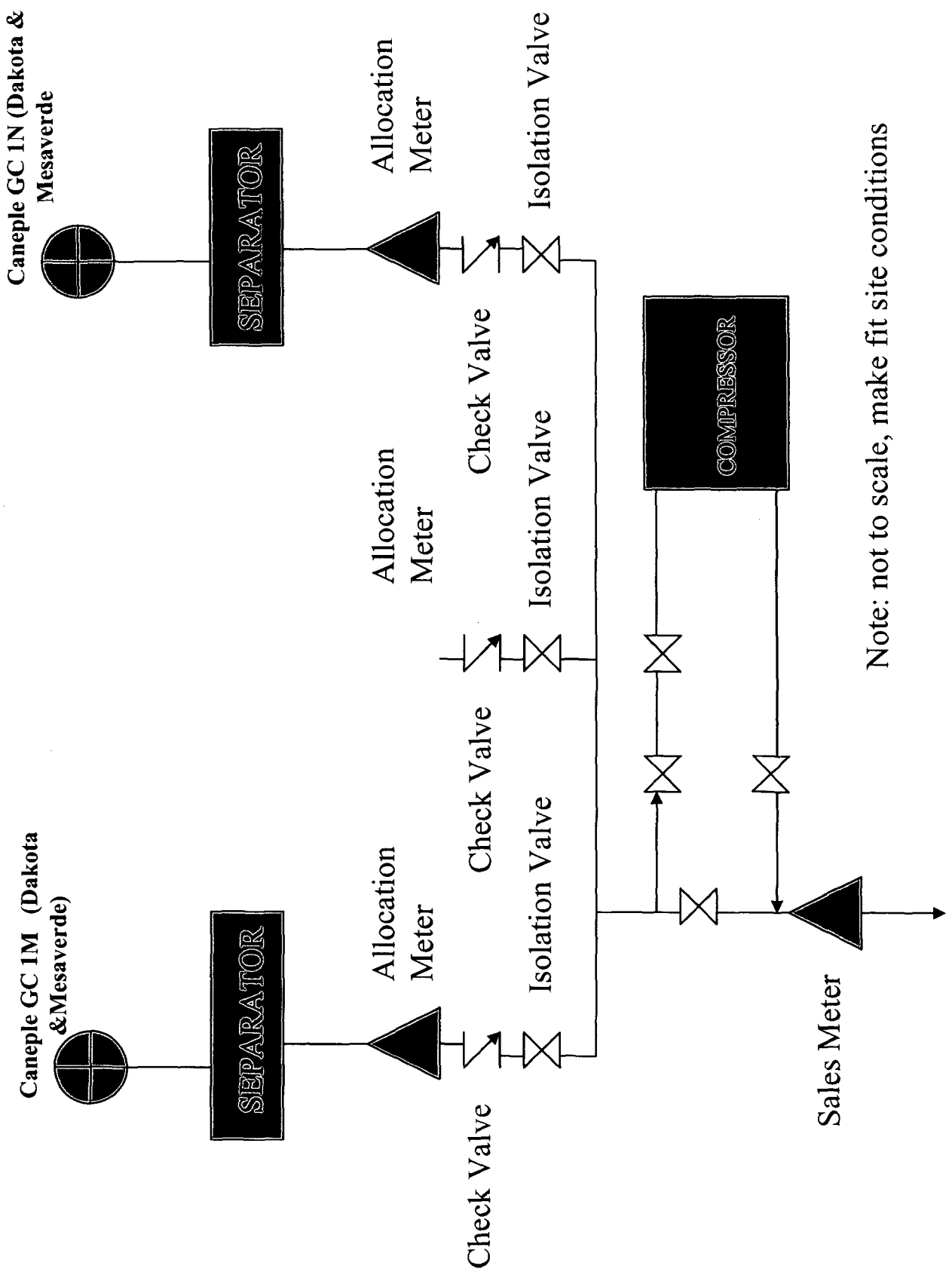
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Surveyed By: Gary D Vann

Date of Survey: 05/05/2004

Certificate Number: 7016

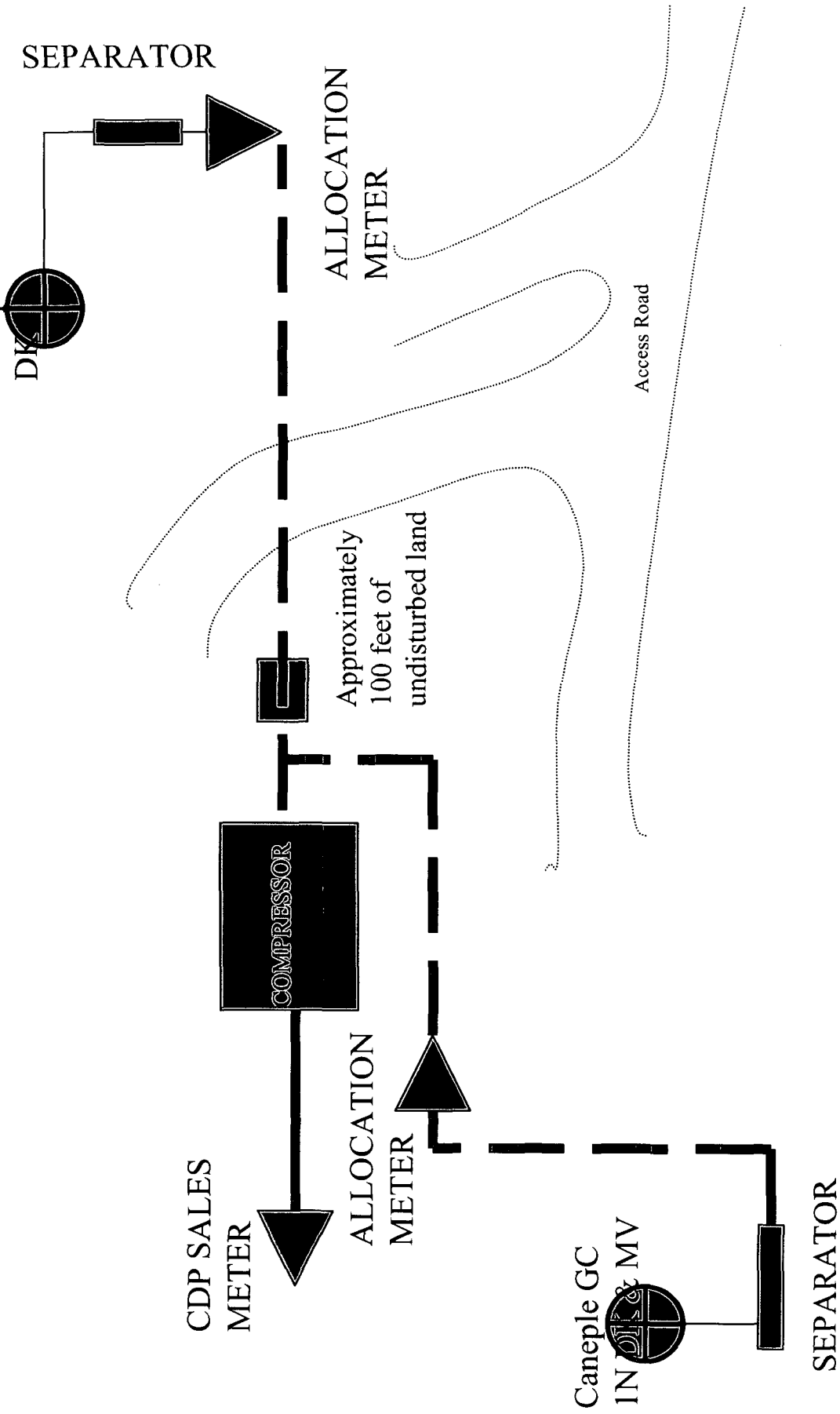
# Canepile GC Shared Compression



Note: not to scale, make fit site conditions

# SECTION 7, T29N, R8W

# Caneple GC 1M MV &







**BP America Production Company**

Onshore US, North America Gas SPU  
501 Westlake Park Boulevard  
Houston, Texas 77079

**Michael J. Beime**

*Land Negotiator*

Phone: 281.368.1634

Fax: 281.366.0700

Email: michael.beime@bp.com

November 2, 2006

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

RE: Surface Commingling Application  
Caneple Gas Com 1M & Caneple Gas Com 1N  
Section 18, Township 31 North, Range 10 West, N.M.P.M.  
San Juan County, New Mexico

Ladies and Gentlemen:

Please be advised that the working interest, royalty, and overriding royalty interest owners are identical for each of the referenced wells.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Beime".

Michael Beime  
Land Negotiator

*The State of Texas*  
*County of Harris*

*This instrument was acknowledged before me on*  
*November 2, 2006* *by* *Michael J. Beime*

*Linda J. Berry*  
*Notary Public*

