

| | | | | | |
|-----------------|-------------------|-------------------|-------------------|---------|-------------------------|
| DATE IN 9/28/07 | SUSPENSE 10/19/07 | ENGINEER W. JONES | LOGGED IN 10/3/07 | TYPE PC | APP NO. P TDS0727547271 |
|-----------------|-------------------|-------------------|-------------------|---------|-------------------------|

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 REGULATION 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.

Toya Colvin
 Print or Type Name

Toya Colvin
 Signature

Regulatory Analyst
 Title

9/26/2007
 Date

Toya.Colvin@bp.com
 e-mail Address

RECEIVED
 2007 SEP 28 PM 10 53



San Juan South Asset

Cherry Hlava
WL1-19.132
281-366-4081 (direct)
281-366-0700 (FAX)
hlavacl@bp.com

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

September 26, 2007

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

Surface Commingling Notice
Burnham GC 1 (DK) API 3004508456
Burnham GC B 1 (PC) API 3004529227
Section 12, T29N, R13W
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Basin Dakota & W. Kutz Picture Cliffs Formations. Surface commingling Basin Dakota production will be from the Burnham GC 1 and the W. Kutz Picture Cliffs production will be from the Burnham GC B1. Both of these 'leases' are of the same base lease with different ownership between formations. **The working interest, royalty and overriding royalty interest owners in the subject wells are different therefore notification is required (sent certified return receipt 9/6/07).**

After separation, the production from each well, will be metered prior to commingling. The commingled gas will then be sent through compression prior to entering the sales meter. (please reference attached schematic)

The difference between what is measured prior to commingling and what is sold through the sales meter is the fuel usage. This fuel usage is allocated back to each well based on the well production.

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 wells and facility locations.
2. Site Facility Schematic Flow Diagram
3. Forms C-103 & C-107-B

Should you have any questions concerning this matter please contact Toya Colvin at 281-366-7148.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Toya Colvin'.
Toya Colvin
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 |
|---|--|---|--|---|------------|
| Basin Dakota (Burnham GC 1) | 1184 BTU | 1184 BTU | | 18 | 18 |
| W. Kutz Pictured Cliffs (Burnham GC B 1) | 1000 BTU | 1000 BTU | | 192 | 192 |
| | | | | | |
| | | | | | |
| | | | | | |

- (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: Joey Colvin TITLE: Regulatory Analyst DATE: 09/26/07

TYPE OR PRINT NAME Toya Colvin TELEPHONE NO.: 281-366-7148

E-MAIL ADDRESS: hlavacl@bp.com

Submit 3 Copies To Appropriate District Office
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

Form C-103
May 27, 2004

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

| |
|---|
| WELL API NO. |
| Reference Below |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Burnham GC 1 & Burnham GC B1 |
| 8. Well Number |
| 9. OGRID Number 000778 |
| 10. Pool name or Wildcat Basin Dakota & W. Kutz Pictured Cliffs |

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: Toya Colvin

3. Address of Operator
P.O. Box 3092 Houston, TX 77253

4. Well Location
Unit Letter **M** : (see C-102) feet from the **SOUTH** line and _____ feet from the **WEST** line
Section **12** Township **29N** Range **13W** NMPM County **San Juan**

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

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. 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 COMPL ☐

OTHER: **SURFACE COMMINGLE**

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:

☐

13. 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 Basin Dakota coming from Burnham GC 1 API 30-045-08456 & the production from W. Kutz Picture Cliffs coming from our Burnham GC B 1 API 30-045-29227. The production from each well will be separated prior to the allocation meter. Then the production from each well will be metered prior to being commingled. The commingled production will then be sent through compression prior to entering the sales meter.

The difference between what is measured prior to commingling and what is sold through the sales meter is the fuel usage. This fuel usage is allocated back to each well based on the well production.

The working interest, royalty and overriding royalty interest owners in the subject wells are different therefore notification is required. (Sent Certified Receipt 9/6/07.) The proposed commingling of production is to reduce operating expenses between the wells and will result in increased economic life of the wells.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Toya Colvin TITLE Regulatory Analyst DATE 9/26/07

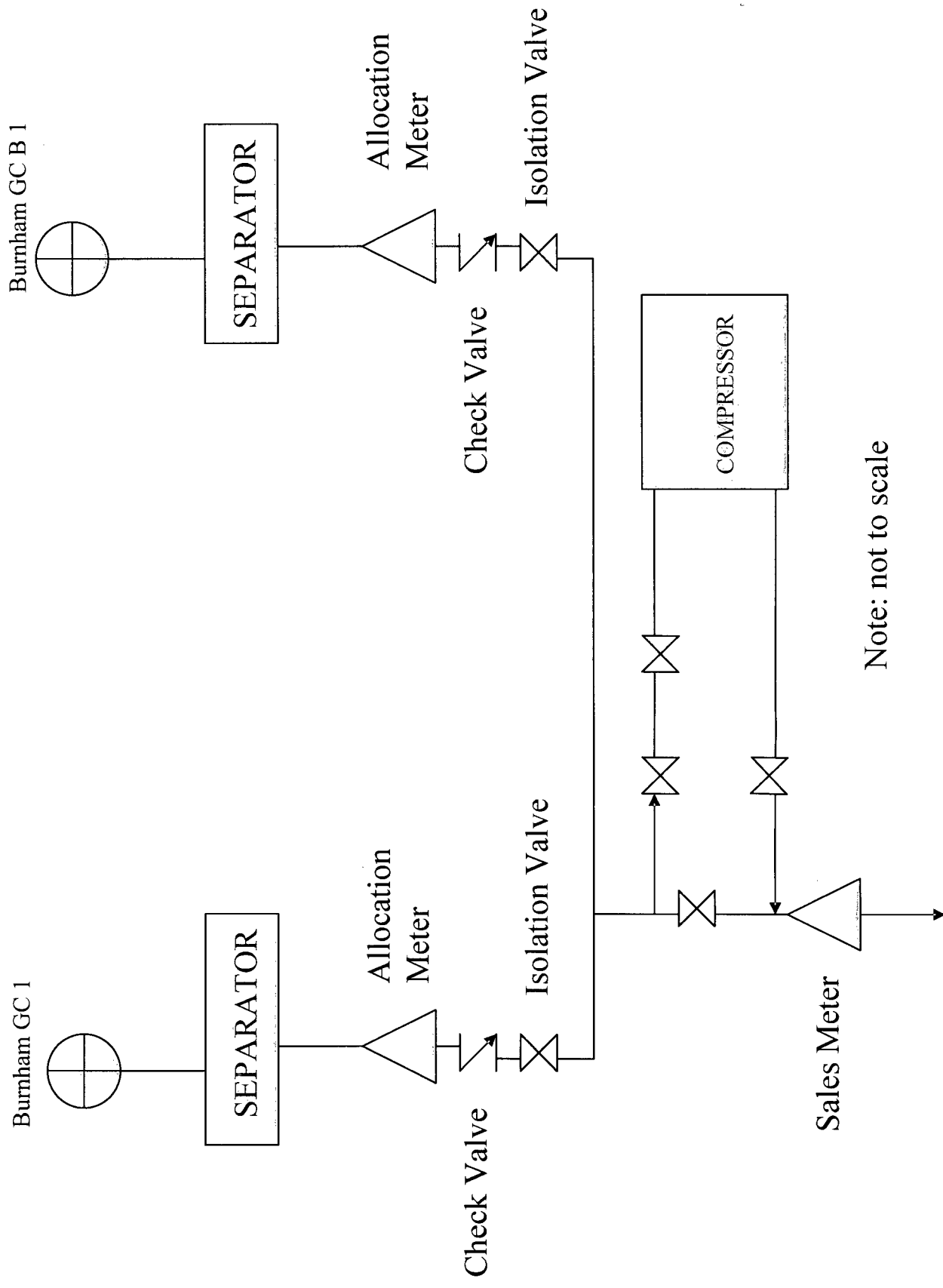
Type or print name Toya Colvin E-mail address: Toya.Colvin@bp.com Telephone No. 281-366-7148

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Burnham Shared Compression



NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

SECTION A.

Date **July 28, 1964**

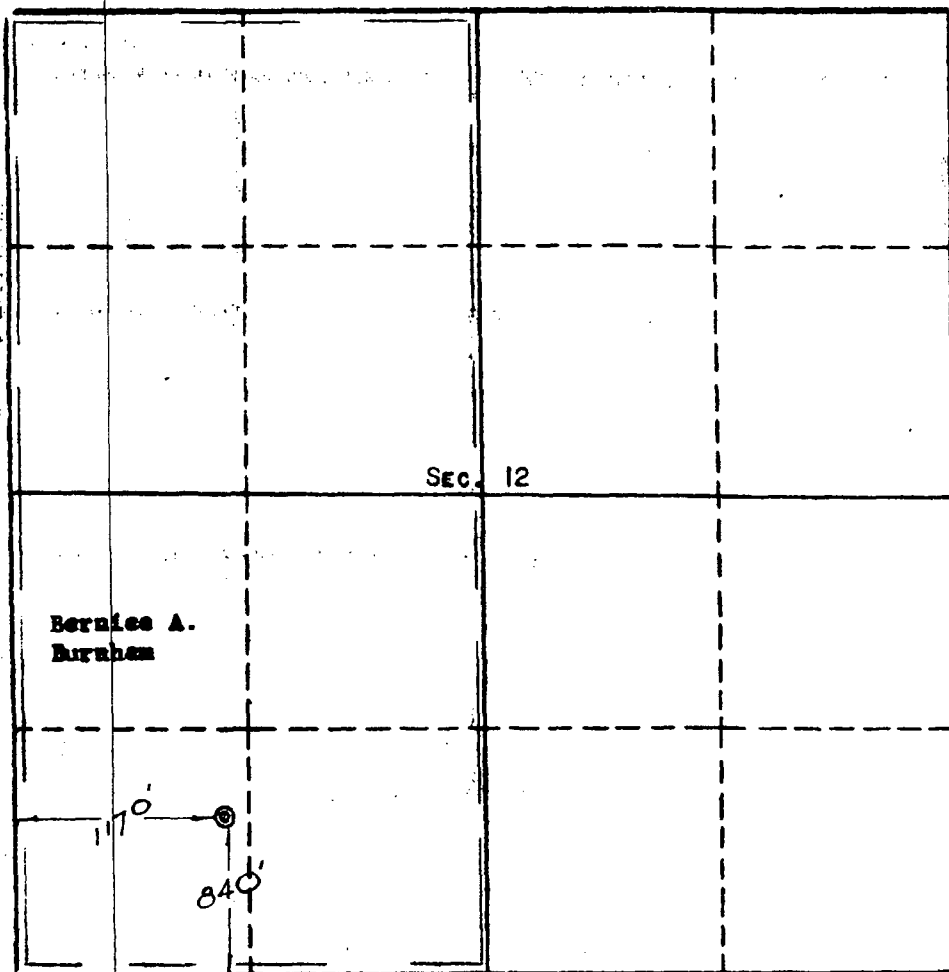
Operator **PAN AMERICAN PETROLEUM CORPORATION** Lease **BURNHAM GAS UNIT**
 Well No. **I** Unit Letter **M** Section **12** Township **29 NORTH** Range **13 WEST** NMPM
 Located **840** Feet From **SOUTH** Line, **1170** Feet From **WEST** Line
 County **SAN JUAN** G. L. Elevation **Report Later** Dedicated Acreage **320** Acres
 Name of Producing Formation **Dakota** Pool **Basin Dakota**

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below? Yes _____ No **X** _____
2. If the answer to question One is "No," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes **X** No _____ If answer is "Yes," Type of Consolidation **Communitization agreements being prepared - all parties have agreed to join in the drilling of the well or lease their acreage.**
3. If the answer to question Two is "No," list all the owners and their respective interests below:

OWNER

LAND DESCRIPTION

SECTION B.



RECEIVED

JUL 29 1964

OIL CON. COM.
DIST. 3

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORP.

F. H. Hollingsworth

F. H. Hollingsworth
(REPRESENTATIVE)P. O. Box 480
Farmington, New Mexico

(ADDRESS)

This is to certify that the well location shown on the plat in Section B 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 knowledge and belief.

Date Surveyed **APRIL 21, 1964**Four States Engineering Co.
FARMINGTON, NEW MEXICO

REGISTERED ENGINEER OR
LAND SURVEYOR
Certificate No. **3602**

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer D0, Artesia, NM 88211-0719
District III
1000 Rio Bravo Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|---|---|
| API Number 30-045-29227 | Pool Code 79680 | Pool Name West Katy Pintado Cliffs EXT |
| Property Code 16901 | Property Name BURNHAM G. C. B | Well Number # 1 |
| OGRID No. 00778 | Operator Name AMOCO PRODUCTION COMPANY | Elevation 5476 |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| M | 12 | 29 N | 13 W | | 850 | SOUTH | 1190 | WEST | SAN JUAN |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------------|---------|-----------------|-------|--------------------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres 160 | | Joint or Infill | | Consolidation Code | | 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

| | | | | | |
|----|----|-------|------|---|--|
| 16 | 12 | 1190' | 850' | RECEIVED MAR 28 1995 OIL CON. DIV. DIST. 3 | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Julie L. Acevedo Printed Name Sr. Staff Assistant Title 3/24/95 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. Date of Survey March 13, 1995 Signature and Seal of Professional Surveyor GARY D. VAAN NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 7016 Certificate Number |
| | | | | | |