

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.

Toya Colvin

Print or Type Name

*Toya Colvin*

Signature

Regulatory Analyst

Title

10/22/2007

Date

Toya.colvin@bp.com

e-mail Address

RECEIVED  
 2007 OCT 24 PM 3:52



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

October 22, 2007

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

Surface Commingling Notice  
GCU 138 (DK) API 3004507578  
GCU 544 (PC) API 3004529317  
Section 7, T28N, R11W  
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Basin Dakota & W. Kutz Pictured Cliffs Formations. Surface commingling Basin Dakota production will be from the Gallegos Canyon Unit 138 and W. Kutz Pictured Cliffs production will be from the GCU 544. Both of these 'leases' are of the same base lease with different ownership between formations. Order R-12724 allows surface commingling in the GCU without notification.

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

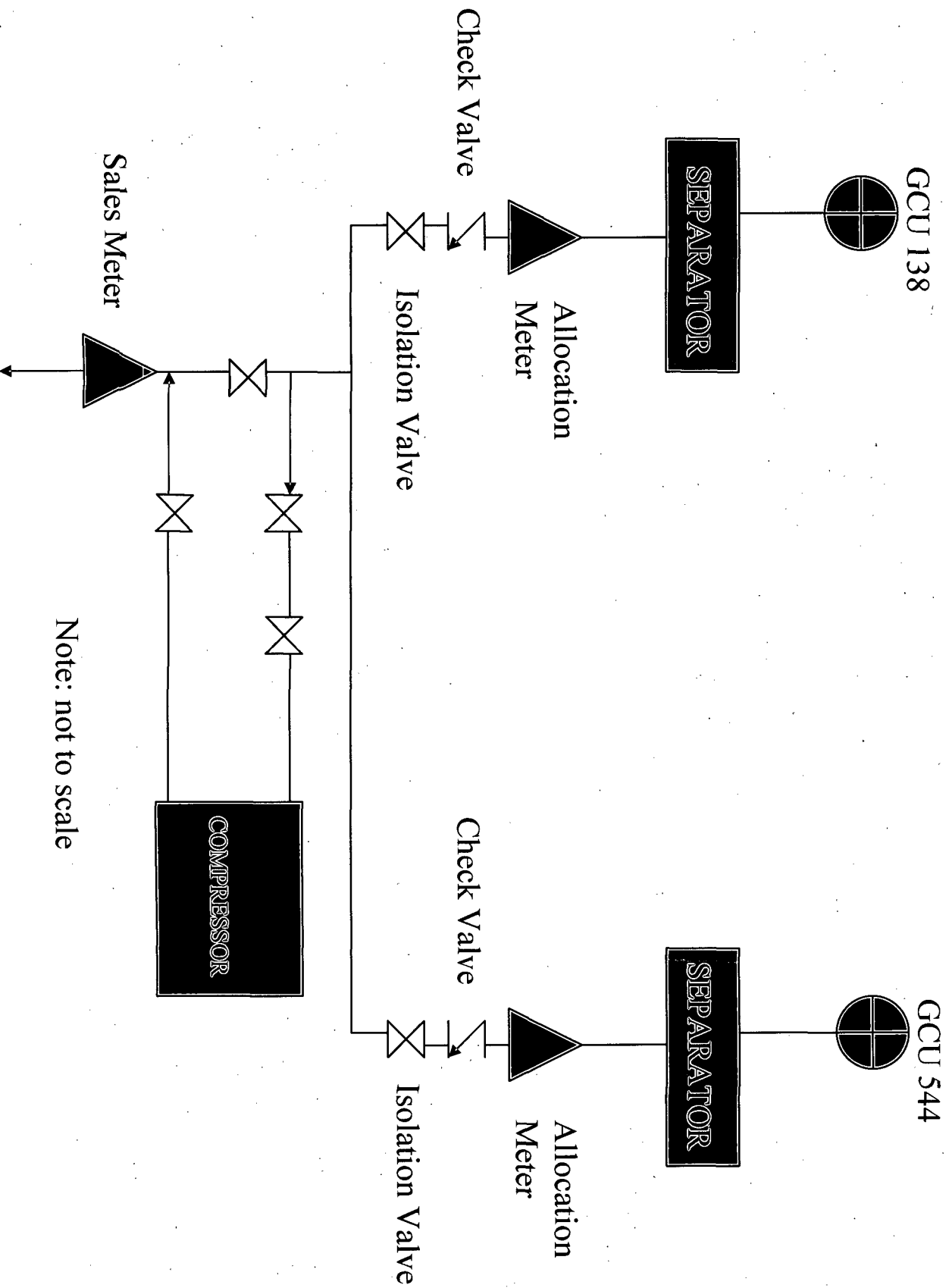
Should you have any questions concerning this matter please contact Toya Colvin at 281-366-7148.

Sincerely,

A handwritten signature in black ink, appearing to read 'Toya Colvin', written in a cursive style.

Toya Colvin  
Regulatory Analyst

# GCU Shared Compression



District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos 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-107  
Revised February 21, 1991

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. APT Number 30-045-20317		2. Pool Code 79680		3. Pool Name West Kutz Pictured Cliffs			
4. Property Code 2038		5. Property Name GALLEGOS CANYON UNIT				6. Well Number 544	
7. OGRID No. 2217		8. Operator Name BHP PETROLEUM (AMERICAS) INC.				9. Elevation 5511	

10. Surface Location

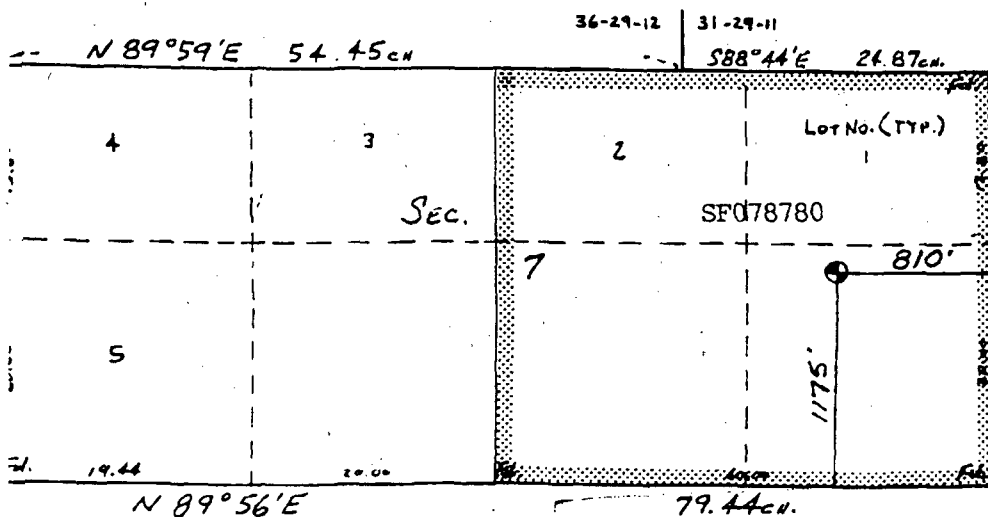
UL or lot no. P	Section 7	Township 28 N	Range 11 W	Lot Idn	Feet from the 1175	North/South line South	Feet from the 810	East/West line East	County San Juan
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11. Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12. Dedicated Acres 134.43	13. Joint or Infill	14. Consolidation Code U	15. Order No.
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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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: *[Signature]*  
Printed Name: J. C. Harris  
Title: Operations Superintendent  
Date: 11/3/95

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: 15 Sep 1995  
Signature and Seal of Professional Surveyor: *[Signature]*  
Certificate Number: 8466  
Professional Land Surveyor: William H. Mahne II

Well Location and Acreage Dedication Plat

AUGUST 7, 1963

Operator **PAN AMERICAN PETROLEUM CORPORATION** **GALLEGOS CANYON UNIT**  
 Well No. **138** Unit Letter **P** Section **7** Township **28 NORTH** Range **11 WEST** NMPN  
 Located **1090** Feet From **the SOUTH** Line **990** Feet From **the EAST** Line  
 County **SAN JUAN** G. L. Elevation **REPORT LATER** Dedicated Acreage **335.02** 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 a unitization agreement or otherwise? Yes ☒ **X** No ☐ If answer is "Yes" Type of Consolidation  
**Gallegos Canyon Unit - Unitized by NMOCC Order No. R-1814 (11-4-60) Unit (10)**
3. If the answer to question two is "No", list all the owners and their respective interests below:

Owner

Land Description

Section 12

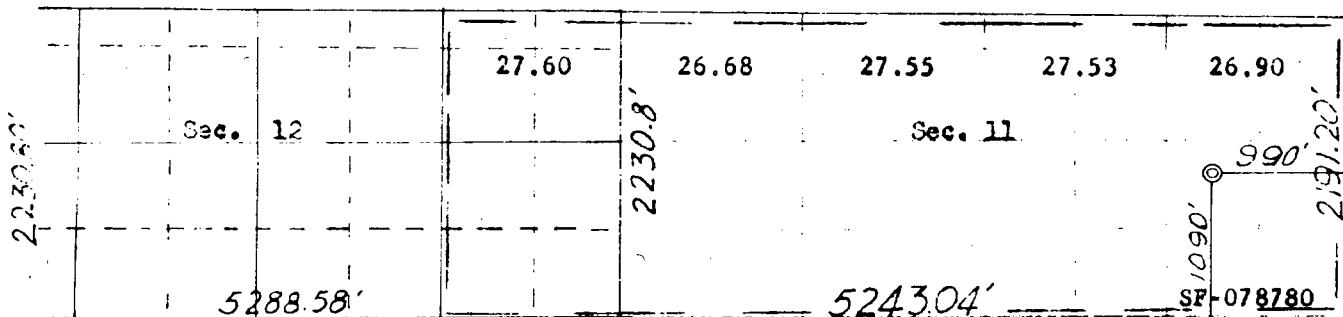
Note: All distances must be from outer boundaries of section.

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 CORPORATION**

*F. H. Hollingsworth*  
**F. H. Hollingsworth**  
 Petr. Engr.  
 P. O. Box 480

**Farmington, New Mexico**



T 28 N.

R. 12 W.

R. 11 W.

Scale: 1 inch equals 1 mile

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed **25 July 1963**

*James P. Leese*  
 Registered Professional Engineer and/or Land Surveyor  
**James P. Leese, N. Mex. Reg. No. 1463**  
**San Juan Engineering Company**

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 (GCU 138)	1256 BTU	1256 BTU		18	18
Picture Cliffs (GCU 544)	1012 BTU	1012 BTU		126	126

(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. (Order R-12724 No Notice Required)

(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: Toya Colvin TITLE: Regulatory Analyst DATE: 10/22/07

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

E-MAIL ADDRESS: hlavac@bp.com