



BP America Production Co.  
Lower 48 Onshore

Craig T. Ferguson  
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Eldridge 3, 12.173B  
737 N. Eldridge Parkway  
Houston, Texas 77079

*12-107-  
Case 318*

June 20, 2016

Bureau of Land Management  
Farmington District Office  
6251 College Blvd., Suite A  
Farmington, New Mexico 87402  
Attn: Ms. Virginia Barber

State of New Mexico  
Commissioner of Public Lands  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

State of New Mexico  
Energy, Minerals and Natural Resources Depart.  
Oil Conservation Division  
1200 South St. Francis Drive  
Santa Fe, New Mexico 87505  
Attn: Mr. David Catanach-Division Director

RE: 2016 Plan of Development  
Northeast Blanco Unit  
San Juan and Rio Arriba Counties, NM

Ladies and Gentlemen:

In accordance with Northeast Blanco Unit ("NEBU") Unit Operating Agreement, dated July 16, 1951, BP America Production Company, as Unit Operator for the NEBU, effective 4/1/2016, requests your review and approval of the attached 2016 Plan of Development.

Please signify your approval of the 2016 Plan of Development by signing in the space provided on the attached sheets and returning same to the attention of:

Craig Ferguson  
BP America Production Company  
737 N. Eldridge Parkway, E3, 12.173B  
Houston, TX 77079

If you have any questions please do not hesitate to contact me at 281-892-5743.

Sincerely,

A handwritten signature in cursive script that reads "Craig T. Ferguson".

Craig T. Ferguson  
Sr. Land Negotiator



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2016 JUN 27 P 3: 11

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Craig T. Ferguson  
Sr. Land Negotiator



## Review of 2015 Operations

Shown in Table I are the cumulative volumes of gas and condensate produced from each reservoir in the Northeast Blanco Unit (NEBU) through year end 2015. Table II summarizes the 2015 average rate (gas and condensate) for 2015 and the completion status for each horizon. Table III summarizes the disposal wells and the pressure monitoring wells.

Exhibit I has total NEBU historical production plots for gas and condensate. Exhibit II has a map of the existing infrastructure in NEBU.

**TABLE I**

**Cumulative Production as 12/31/2015**

FORMATION	GAS (MMCF)	CONDENSATE (MBLS)
Fruitland Coal	1,388,899	1.0
S. Los Pinos Fruitland Sand / Pictured Cliffs	26,642	30.9
Pictured Cliffs	10,270	8.9
Mesaverde	531,795	209.4
Gallup	324	0.0
Mancos	913	0.0
Dakota	67,632	0.0

**TABLE II**

**2015 Production Volume and 2015 Completion Status by Formation as of 12/31/2015**

FORMATION	ACTIVE	INACTIVE	2015 GAS PRODUCTION (MMcfd)	2015 CONDENSATE PRODUCTION (BPD)
Fruitland Coal	183	12	43.063	0.0
S. Los Pinos Fruitland Sand / Pictured Cliffs	45	6	4.038	2.4
Pictured Cliffs	18	5	1.462	0.9
Mesaverde	214	9	19.473	5.8
Gallup	2	0	0.008	0.0
Mancos	0	0	0.000	0.0
Dakota	106	7	7.306	0.0

**TABLE III**  
**Disposal Wells and Pressure Observation Wells**

<b>WELL TYPE</b>	<b>FORMATION</b>	<b>NUMBER OF WELLS</b>
Disposal Wells	Morrison - Entrada	4
Pressure Observation	Fruitland Coal	10

## 2015 NEBU Plan of Development Update

Prior to April 2016 Devon Energy Production Company was the operator of record for the Northeast Blanco Unit (NEBU). Although our records are not complete we have found a reference to a POD submitted by Devon in 2012. BP America Production Company purchased Devon's interest in NEBU in 2015 and assumed operatorship in April 2016. No attempt is made herein to summarize the 2015 activities as BP was not the operator.

## 2016 NEBU Plan of Development

BP America Production Company is proposing the following activities in the 2016 Plan of Development. BP America Production Company does not have any identified recompletion candidates planned for 2016. Currently one well is scheduled to be P&A'd in 2016, the NEBU 354. The information related to this well is in Table IV. BP America Production Company will continue to review the current well inventory and may identify additional P&A candidates throughout the year. BP America Production Company is proposing one new well to be drilled in 2016, the proposed well name will be the NEBU 602 1H. Details relating to this new well proposal are found in Table V below.

**TABLE IV**  
**2016 P&A Candidates**

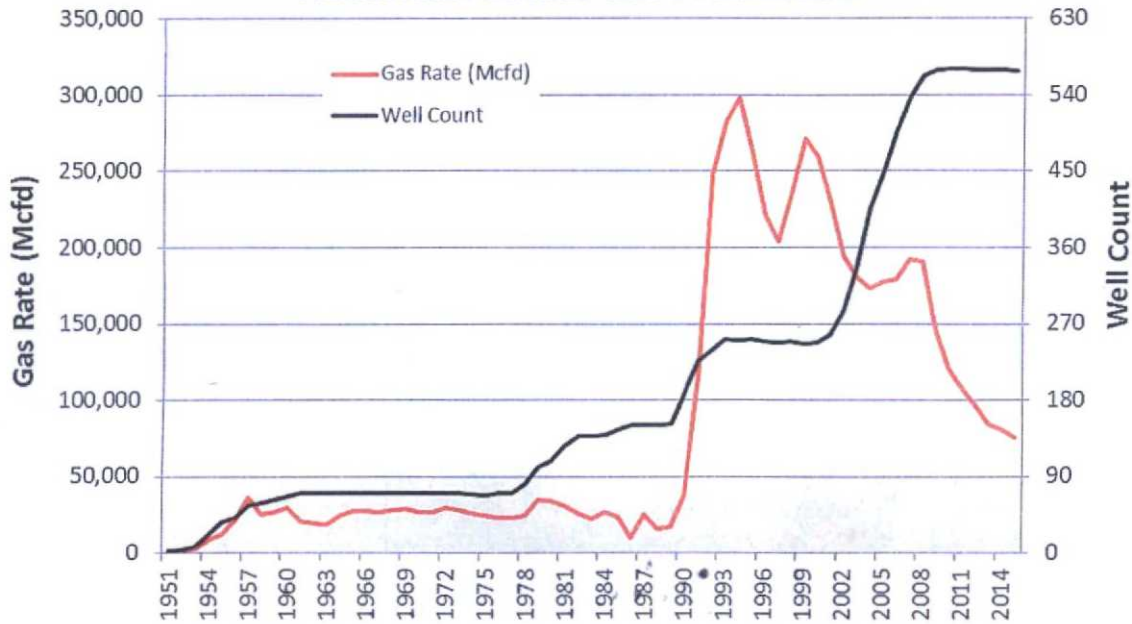
<b>WELL</b>	<b>API NUMBER</b>	<b>DEDICATION</b>	<b>HORIZON</b>
NEBU 354	30-045-34658	Unit J Sec 32 T31N R7W	Dakota

**TABLE V**  
**2016 New Drill Candidates**

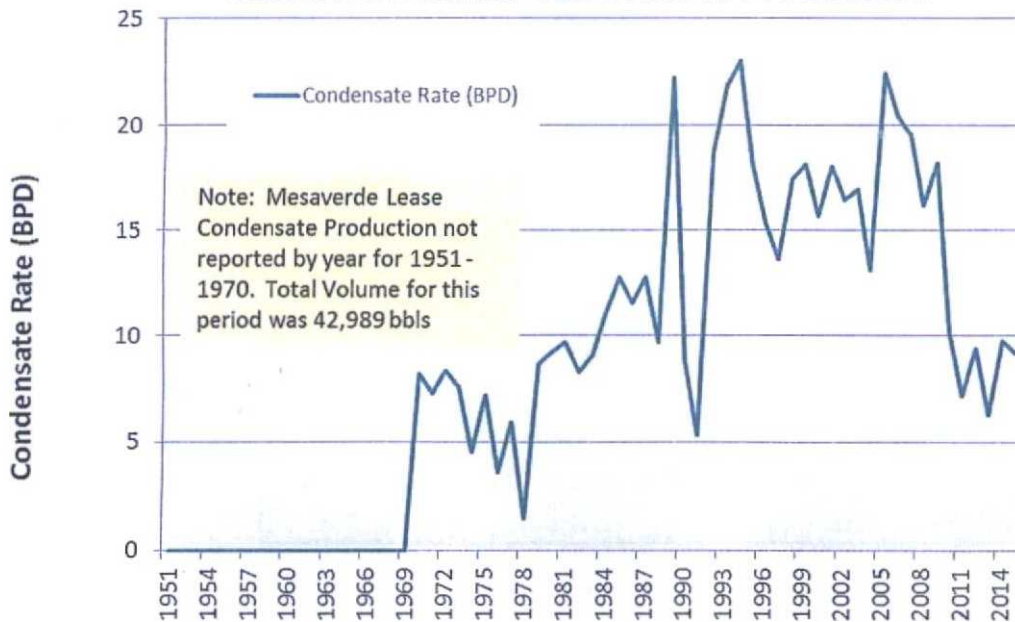
<b>WELL</b>	<b>DEDICATION</b>	<b>TYPE</b>	<b>TARGET</b>	<b>STATUS</b>
NEBU 602 1H	N/2 Sec 7&12 T31N R7W	New Drill - Horizontal	Mancos	2016 Project

**Exhibit I**  
**Historical Gas and Condensate Production for NEBU**

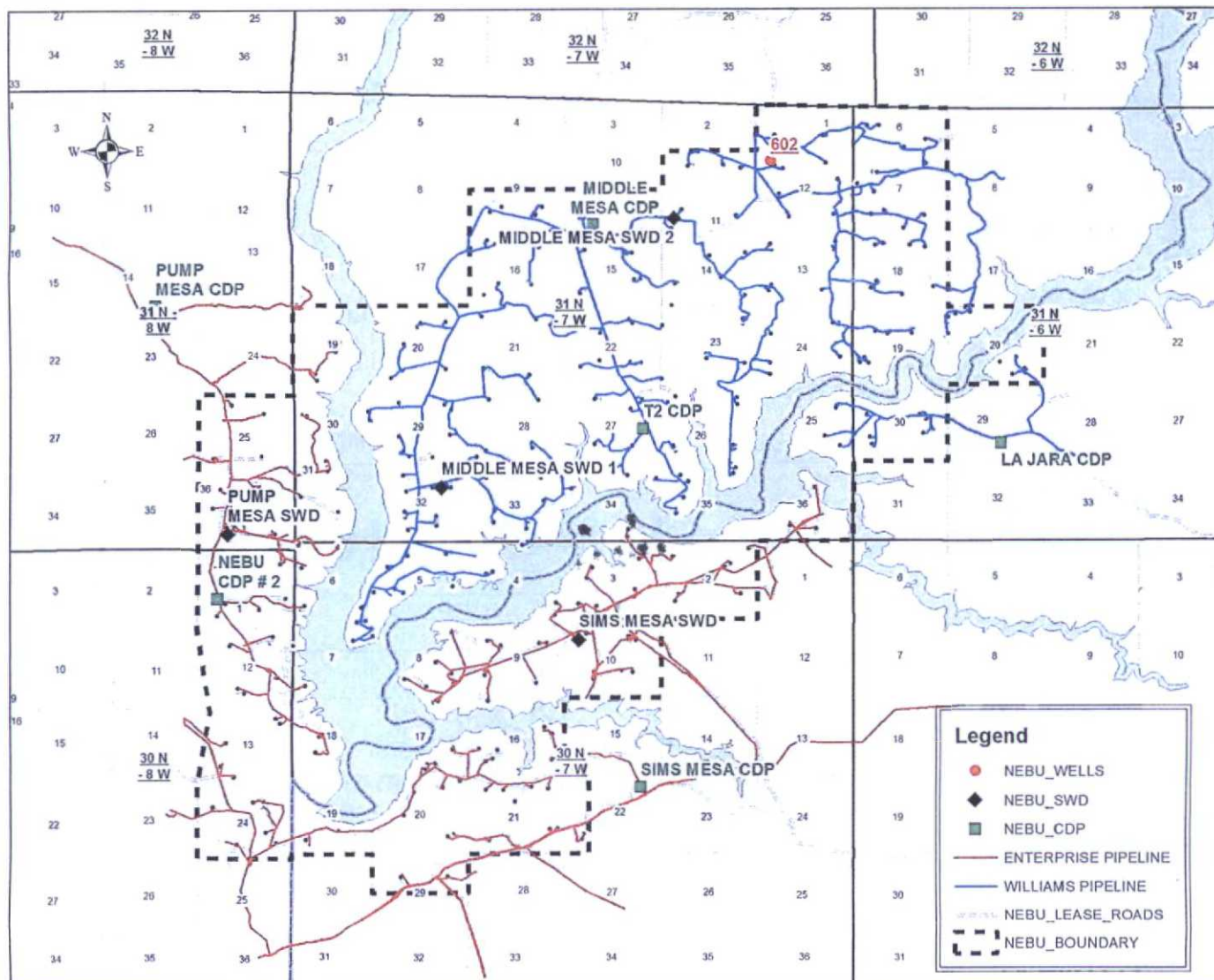
**Northeast Blanco Unit (NEBU)**  
**All Formations**  
**Historical Annual Gas Production**



**Northeast Blanco Unit (NEBU)**  
**All Formations**  
**Historical Annual Condensate Production**



## Exhibit II NEBU Infrastructure Map



This NEBU Plan of Development has a new well to be drilled in 2016. The well site (602) located in red on the map, is in the NE area of the NEBU unit outline. Lease roads generally follow the gathering lines in the NEBU unit outline.