

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.

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		7. Lease Name or Unit Agreement Name: Florance Z (Federal Lease SF - 078578 BLM Notified on Form 3160-5)
2. Name of Operator BP America Production Company Attn: Mary Corley	8. Well No. Nos. 3S & 40A	
3. Address of Operator P.O. Box 3092 Houston, TX 77253	9. Pool name or Wildcat Blanco MV & Basin FC	
4. Well Location Unit Letter <u>I</u> (see C-102) feet from the <u>South</u> line and _____ feet from the <u>East</u> line Section <u>21</u> Township <u>30N</u> Range <u>08W</u> NMPM <u>San Juan</u> 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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <u>Surface Commingle</u> <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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 recompilation.

BP America Production Company request permission to surface commingle production the Blanco Mesaverde, and Basin Fruitland Coal Pools from our Florance Z Wells No. 3S & 40A. Surface commingling Blanco Mesaverde production will consist of the Florance Z Well No. 40A API 30-045-22145 and Basin Fruitland Coal production will be from the Florance Z Well No. 3S API 30-045-32428. 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. Please reference the attached schematics reflecting the Proposed Surface Commingling Layout provided for your reference.

The working interest, royalty and overriding royalty interest owners in the subject wells are identical. 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. PC-1135

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

SIGNATURE Mary Corley TITLE Sr. Regulatory Analyst DATE 12/07/2004
 Type or print name Mary Corley Telephone No. 281-366-4491

(This space for State use)

APPROVED BY W. D. Jones TITLE Engineer DATE 12/29/04
 Conditions of approval, if any: