

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



30-045-22338-00-00  
 AL Elliott D1A  
 30-045-26623-00-00  
 Annie Elliott G1  
 BP America Prod.

## 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 Amendment to Surface Commingling order PC-999
- [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 PC-999-A  
 [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.

Ranad Abdallah Ranad Abdallah Regulatory Analyst 1/31/13  
 Print or Type Name Signature Title Date  
Ranael.Abdallah@bp.com  
 e-mail Address



BP America Production Co. P.O. Box 3092  
North American Gas - San Juan Houston, TX 77253-3092  
281-366-2761 (direct) 501 West Lake Park Blvd.  
281-366-0700 (fax) Houston, TX 77079

February 11, 2013

Ms. Ranad Abdallah – Regulatory Analyst  
BP America Production Company  
501 Westlake Park Blvd.  
Houston, TX 77079

RE: A.L. Elliott D #1A & G #1 Wells – Commingle Application  
Section 12-T29N-R9W  
San Juan County, NM  
API #30-045-22338 & 30-045-26623

Ms. Abdallah:

I have reviewed BP America Production Company's ("BP") division order records concerning the above captioned wells by comparing division of interest records for the Mesaverde formation in the A.L. Elliott D #1A well against the division of interest records for the Dakota formation in the A.L. Elliott G 1 well. This review indicated that ownership in both the Mesaverde and Dakota are the same for each well so there should be no ownership issues in commingling these two formations together.

Please contact me at x2761 if you have any questions concerning this topic.

Sincerely,

A handwritten signature in cursive script that reads "Craig A. Carley".

Craig A. Carley  
Land Negotiator – San Juan Asset

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS** JAN 03 2013  
Do not use this form for proposals to drill or to re-enter an  
Abandoned well. Use Form 3160-3 (APD) for such proposals.

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side</b>		5. Lease Serial No. <b>SF-078132</b>
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or tribe Name
2. Name of Operator <b>BP America Production Company Attn: Ranad Abdallah</b>		7. If Unit or CA/Agreement, Name and/or No.
3a. Address <b>P.O. Box 3092 Houston, TX 77253</b>	3b. Phone No. (include area code) <b>281-366-4632</b>	8. Well Name and No. <b>A.L. Elliott D #1A and G #1</b>
4. Location of Well (Footage, Sec., T., R., M or Survey Description) <b>Sec 12 29N &amp; 9W (D #1A -MV) --- 1710' FNL &amp; 1590' FWL ; (G #1 -DK) 1710' FNL &amp; 1510' FWL</b>		9. API Well No. <b>30-045-22338(D#1A) &amp; 30-045-26623 (G#1)</b>
		10. Field and Pool, or Exploratory Area <b>Blanco MV &amp; Basin Dakota</b>
		11. County or Parish, State <b>San Juan, New Mexico</b>

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Other Amend surface commingling and allocation
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Recomplete <input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

BP America Production Company request permission to amend Surface Commingle Order PC-999 approved July 14, 1999, regarding the two subject wells and to provide the allocation that will be used for the two wells; Allocation for the gas and liquids. BP would like to allocate liquids (condensate and water) using a fixed well test ratio, based on historical production. Historically the Annie Elliott G #1 (DK) produces approximately 71% of the fluid and the Annie Elliott D #1A (MV) the remaining 29%. BP proposes using .71 and .29 to ratio liquid production and sales. (Please see the example attached).

Surface commingling production from the existing A.L. Elliott D#1A (MV) and A.L. Elliott G #1 (DK) will not reduce the economic life of the wells.

After separation the production from each of the 2 wells will be metered individually prior to commingling. The liquids of both wells will be commingled. The gas from the A.L. Elliott G #1 will flow directly to sales and the gas from the A.L. Elliott D #1A will flow to sales after compression. Fuel usage should be allocated based on production after subtracting the difference between sales and allocation meters. (see attached schematic)

The working interest, royalty and overriding royalty interest owners in the subject wells are identical therefore no further notification is necessary. The proposed commingling of production is to reduce operating expenses between the 2 wells and will result in increased economic life of the wells.

NMOCD Santa Fe has also been notified of this proposal by Form C-103.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/typed)  
**Ranad Abdallah** Title Regulatory Analyst

Signature *Ranad Abdallah* Date **12-31-12**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

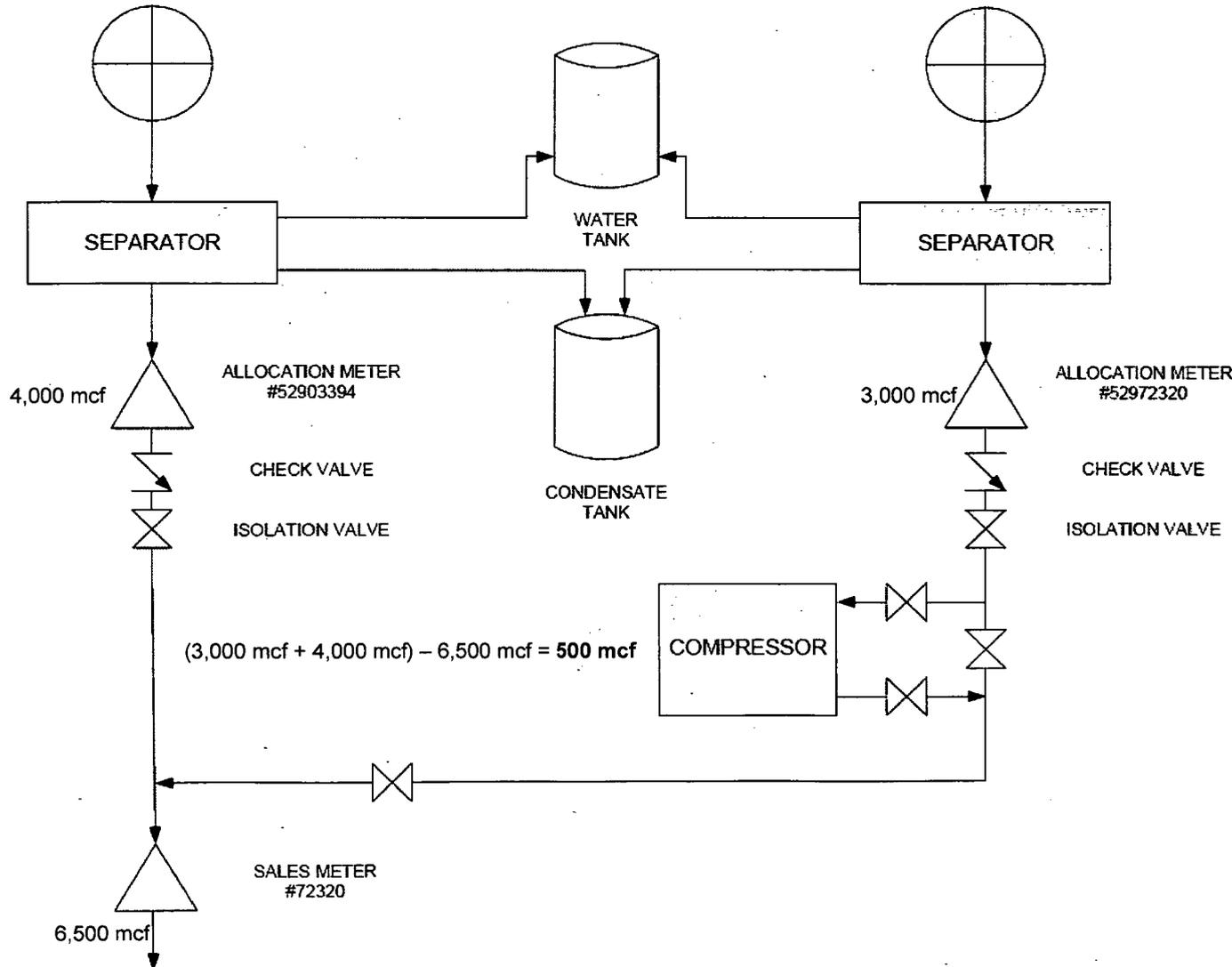
Approved by *[Signature]* Title **Petr. Eng** Date **1/25/13**  
Conditions of approval, if any, are attached. Approval of this notice does not warrant or Certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

# A L ELLIOTT CDP #3

A L ELLIOTT G 001  
(DK)  
30-045-26623  
Wf\_hz 846722\_01

A L ELLIOTT D 001A  
(MV)  
30-045-22338  
Wf\_hz 973661\_01

A L ELLIOTT D 003  
(PC)  
**PLUGGED &  
ABANDONED**



Only 52972320 is an allocation meter

The compressor fuel formula for the D 1A equals the sum of 52972320 & 52903394 less 72320,  $(3,000 \text{ mcf} + 4,000 \text{ mcf}) - 6,500 \text{ mcf} = 500 \text{ mcf}$

The sales formula for the D 1A equals 52972320 less compressor fuel,  $3,000 \text{ mcf} - 500 \text{ mcf} = 2,500 \text{ mcf}$

**NOTE: Drawing is not to scale**

BP proposes using .71 and .29 to ratio liquid production and sales as shown in the following example:

WELL NAME	API	Formation	BWPD	BOPD	Days Produced	Theoretical Liquid Production	Monthly Allocation Percentage
ELLIOTT, ANNIE L, /D/ #1A	3004522338	MESAVERDE	0.29	0.29	15	4.35	16.96%
ELLIOTT, ANNIE L, /G/ #1	3004526623	DAKOTA	0.71	0.71	30	21.3	83.04%

## **Ezeanyim, Richard, EMNRD**

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**From:** Abdallah, Ranad <Ranad.Abdallah@bp.com>  
**Sent:** Monday, February 11, 2013 1:59 PM  
**To:** Ezeanyim, Richard, EMNRD  
**Cc:** Colvin, Toya  
**Subject:** A.L. Elliott D1A and G1-Surface Commingle Amendment to Order PC-999  
**Attachments:** A.L.Elliott Surface Commingle Amend-PC-999.pdf

**Importance:** Low

Richard,

Per our phone conversation, attached is the landman letter stating that all interest owners are the same in both commingled formations. I have also attached the BLM sundry approval with a signed copy of the C-103.

This application was also Fedex hardcopy to the Santa Fe office today. However, I am also sending you the attachments per your request via email. I hope that you can send me the verbal approval or email approval for the surface commingle change to the existing order number PC-999.

Please see the attachments and let me know if you have any other questions.

<<A.L.Elliott Surface Commingle Amend-PC-999.pdf>>

Thank you,

Ranad Abdallah | Regulatory Analyst | San Juan South Team - North American Gas | Office -  
281.366.4632  
Email - [Ranad.Abdallah@bp.com](mailto:Ranad.Abdallah@bp.com)