

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

OCT 24 2007

Lease Serial No

SF - 078780

Do not use this form for proposals to drill or to re-enter an
Abandoned well Use Form 3160-3 (APD) for such proposals.

Bureau of Land Management
Farmington Field Office

Indian, Allottee or tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

7 If Unit or CA/Agreement, Name and/or No

1 Type of Well

☐ Oil Well☒ Gas Well☐ Other

8 Well Name and No

GCU 544 & GCU 138

2 Name of Operator

BP America Production Company Attn: Toya Colvin

9 API Well No

30-045-29317 & 30-045-07578

3a Address

P.O. Box 3092 Houston, TX 77253

3b Phone No (include area code)

281-366-7148

10. Field and Pool, or Exploratory Area

BASIN DAKOTA & W. KUTZ PICTURED CLIFFS

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

GCU 544 - 1175' FSL & 810' FEL GCU 138 - 1090' FSL & 990' FEL Sec 7 T28N R11W

11. County or Parish, State

San Juan County, New Mexico

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

TYPE OF SUBMISSION

☒ Notice of Intent

Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water shut-Off☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing Repair☐ New Construction☐ Recomplete☐ Change Plans☐ Plug and Abandon☐ Water Disposal☐ Convert to Injection☐ Plug Back

Other

Surface Commingle

- 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 recompleat 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 recompleat 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 respectfully request authorization to surface commingle gas production from Basin Dakota & W. Kutz Pictured Cliffs from our GCU 138 & GCU 544. Surface commingling Basin DK production will consist of the GCU 138 API 30-045-07578 W. Kutz Pictured Cliffs production will be from the GCU 544 API 30-045-29317. The production from each well will be separated prior to the allocation meter. 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 however approval of Order R-12724 allows surface commingling in the GCU without notification. The proposed commingling of production is to reduce operating expenses between the wells and will result in increased economic life of the wells. Surface commingling will not reduce the life of the wells.

Attached in support of our application are copies of documentation submitted to the NMOCD for State approval.

RCVD DEC 27 '07

- 14 I hereby certify that the foregoing is true and correct
Name (Printed/typed)

Toya Colvin

Title Regulatory Analyst

OIL CONS. DIV.
DIST. 3

Signature

Date 10/22/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Title 18 USC Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

NMOCD 46

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: Joya Colvin TITLE: Regulatory Analyst DATE: 10/22/07

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

E-MAIL ADDRESS: hlavacl@bp.com

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
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

¹ AIT Number 30-045-29317	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

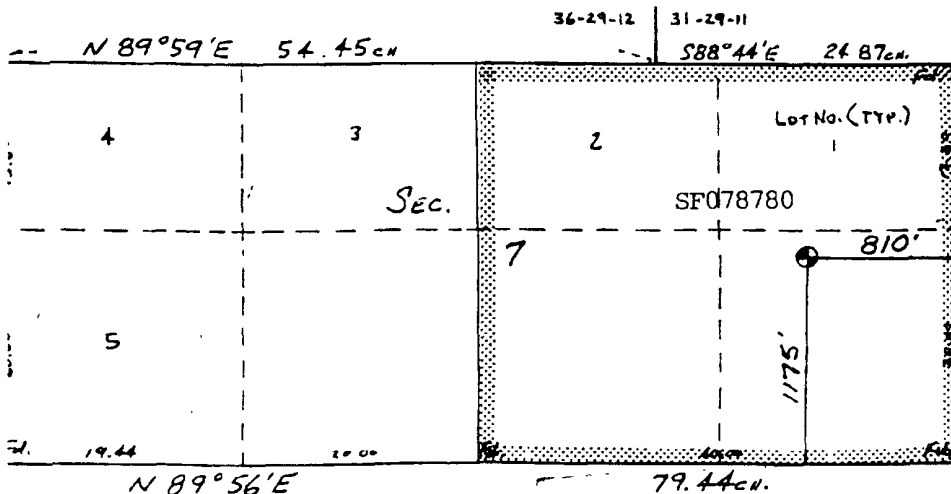
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	7	28 N	11 W		1175	South	810	East	San Juan

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
134.43		U	

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
J. C. Harris
Printed Name
Operations Superintendent
Title
11/3/95
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
15 Sep 1995
Signature and Seal of Professional Surveyor
WILLIAM J. VANNKE II
#8466
CERTIFIED PROFESSIONAL LAND SURVEYOR
Certificate Number 8466

Well Location and Acreage Report

AUGUST 7, 1963

Operator **PAN AMERICAN PETROLEUM CORPORATION** **GALLEGO CANYON UNIT**
 Well No. **138** Unit Letter **P** Section **7** **28 NORTH** **11 WEST**
 Located **1090** Feet From **the SOUTH** **990** Feet From **the EAST**
 County **SAN JUAN** G. L. Elevation **REPORT LATER** Dedicated Acreage **335.02**
 Name of Producing Formation **DAKOTA** Pool **BASIN DAKOTA**

1. Is the Operator the only owner of the dedicated acreage within the Unit 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", have all the owners and their respective interests of the

Owner

Acres Description

Section 11

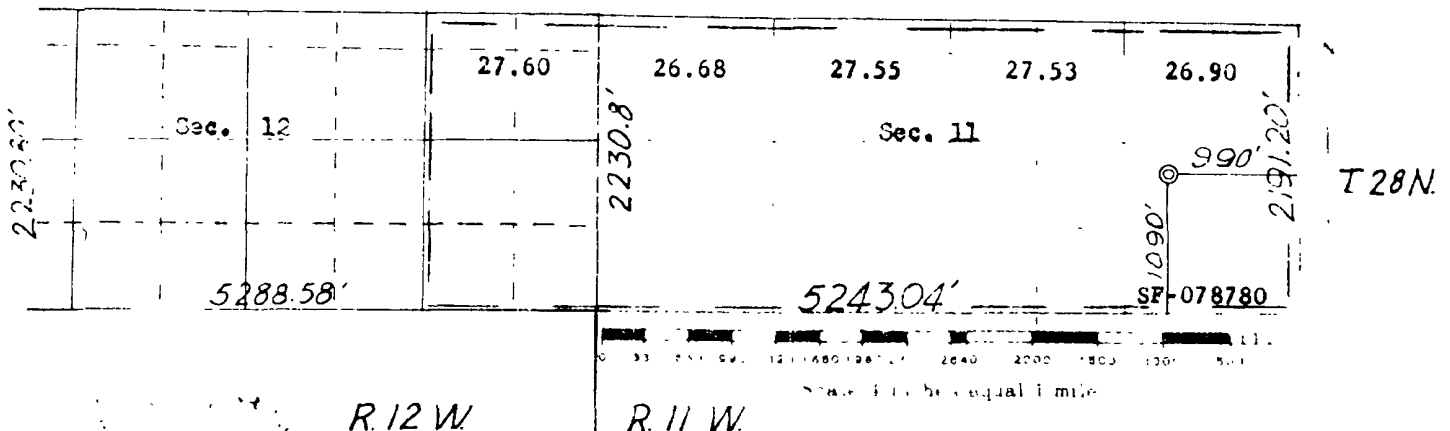
Note: All distances must be from outer boundary of section.

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



This is to certify that the above map 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
James P. Leese, N. Mex. Reg. No. 1463
San Juan Engineering Company

GCU Shared Compression

