

DATE IN 10-1-04	SUSPENSE	ENGINEER Jones	LOGGED IN 10-1-04	TYPE PC	APP NO. PSEM0427545965
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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.

Mary Corley
 Print or Type Name

Mary Corley
 Signature

Sr. Regulatory Analyst 09/30/2004
 Title Date

corleym1@bp.com
 e-mail Address

2004 OCT 1 AM 10 57

Jones, William V

From: Jones, William V
Sent: Friday, October 01, 2004 1:28 PM
To: Mary Corley (E-mail)
Cc: Ezeanyim, Richard
Subject: Pool commingles in three wells

Hello Mary:

I just received the three C-103 forms as applications to surface commingle - all in identically owned situations.

Our latest rules say that a lawyer or land manager must sign the statement that ownership is identical.

If you want, just have the land manager sign the second page (your write-up) and fax it back to me. You did not send a surface schematic, but I don't need one in these cases, unless the CDP's are away from the leases.

Regards,

Will

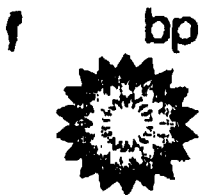
William V. Jones

Engineering Bureau

Oil Conservation Division

Santa Fe

10/1/2004

**BP America Production Company**

San Juan Performance Unit
501 Westlake Park Boulevard
Houston, Texas 77079
Room 19.104

Steve Reinert

Land Negotiator

Phone: 281.366.5652

Fax: 281.366.0700

October 5, 2004

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

Surface Commingling Application
Florance R Well No. 8A
Section 14, T30N, R09W
San Juan County, New Mexico

Please be advised that the working interest, royalty and overriding royalty interest owners are identical for the Fruitland and Mesaverde formations in the subject well.

A handwritten signature in black ink, appearing to read "Steve Reinert", with a stylized flourish at the end.

Sincerely, Steve Reinert
Land Negotiator

**Florance R 8A
Surface Commingle
Blanco Mesaverde & Basin Fruitland Coal**

The subject well was dually completed in the Mesaverde and Fruitland Coal in 1975, however, the Fruitland Coal has been shut-in due to the drilling of Florance R #4 in November 1990. At the time of the completion of the Florance R #4 field rules for the Fruitland Coal formation did not allow for two wells on the same 320 acre unit. Field rules have since been amended to allow additional wells in the spacing unit. Prior to going off production the well was producing intermittently approximately 50 MCFD from the FC, the zone was subsequently shut in and the well has since produced from the MV only.

BP proposed to restore the FC to production status, however, the incremental production equipment installation cost, individual wellhead compression cost, operating expenses, and workover cost associated with production restoration would not be offset by any expected production gain, BP, therefore, request permission to surface commingle production from both formation in the subject well.

The working interest, royalty and overriding royalty interest owners in both the Mesaverde and Fruitland Coal formations are identical.

The proposed surface commingling of production is to reduce operating expenses between the zones, would allow for the restoration of production from the Fruitland Coal and will result in increased economic life of the well.

BP intends to utilize the existing separator, oil tank, water tank, compressor, and sales meter for the combined production. We will add check valves upstream of where the production is combined.

BP further proposed that production be allocated between the zones based on the subtraction method using the projected future decline for production from the Mesaverde. That production shall serve as a base for production subtracted from the total production for the commingled production. The balance of the production will be attributed to the Fruitland Coal. Attached is the future production decline estimates for the Mesaverde.

BLM has also been notified of this proposal by copy of BLM Form 3160-5.

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
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-21789	² Pool Code 72319/71629	³ Pool Name Blanco Mesaverde & Basin Fruitland Coal
⁴ Property Code 000548	⁵ Property Name Florance R	⁶ Well Number 8A
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 6042'

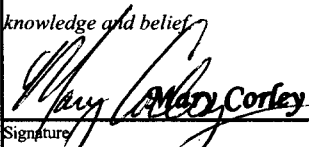
¹⁰ Surface Location

UL or lot no. 1	Section 14	Township 30N	Range 09W	Lot Idn	Feet from 1450'	North/South South	Feet from 1025'	East/West 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	North/South	Feet	East/West	County
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code			¹⁵ Order No.		

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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Mary Corley Printed Name Sr. Regulatory Analyst Title 09/23/2004 Date
										¹⁸ SURVEYOR CERTIFICATION <i>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.</i> 4/16/1975 Date of Survey Signature and Seal of Professional Surveyor: James P Leese 1463 Certificate Number

Florance R 8A

Future Production Decline Estimate

Mesaverde Daily Rates

$$\ln(Q_f/Q_i) = -dt$$

$$Q_f = 125$$

$$Q_i = 132$$

$$\text{rate} = 125$$

$$\text{time} = 6$$

$$dt = -0.054488185$$

$$\text{decline} = -1.135170527$$

Month	Gas Volume
Jan-2003	123
Feb-2003	103
Mar-2003	111
Apr-2003	119
May-2003	212
Jun-2003	160
Jul-2003	136
Aug-2003	100
Sep-2003	145
Oct-2003	132
Nov-2003	137
Dec-2003	112
Jan-2004	119
Feb-2004	116
Mar-2004	125
Apr-2004	114
May-2004	103
Jun-2004	102
Jul-2004	101
Aug-2004	100
Sep-2004	99
Oct-2004	98
Nov-2004	97
Dec-2004	95
Jan-2005	94
Feb-2005	93
Mar-2005	92
Apr-2005	91
May-2005	90
Jun-2005	89
Jul-2005	87
Aug-2005	86
Sep-2005	85
Oct-2005	84
Nov-2005	83
Dec-2005	82

Month	Gas Volume
Jan-2006	81
Feb-2006	79
Mar-2006	78
Apr-2006	77
May-2006	76
Jun-2006	75
Jul-2006	74
Aug-2006	73
Sep-2006	72
Oct-2006	70
Nov-2006	69
Dec-2006	68
Jan-2007	67
Feb-2007	66
Mar-2007	65
Apr-2007	64
May-2007	62
Jun-2007	61
Jul-2007	60
Aug-2007	59
Sep-2007	58
Oct-2007	57
Nov-2007	56
Dec-2007	55
Jan-2008	53
Feb-2008	52
Mar-2008	51
Apr-2008	50
May-2008	49
Jun-2008	48
Jul-2008	47
Aug-2008	45
Sep-2008	44
Oct-2008	43
Nov-2008	42
Dec-2008	41
Jan-2009	41

Month	Gas Volume
Feb-2009	40
Mar-2009	39
Apr-2009	38
May-2009	36
Jun-2009	35
Jul-2009	34
Aug-2009	33
Sep-2009	32
Oct-2009	31
Nov-2009	30
Dec-2009	29
Jan-2010	27
Feb-2010	26
Mar-2010	25
Apr-2010	24
May-2010	23
Jun-2010	22
Jul-2010	21
Aug-2010	20
Sep-2010	18
Oct-2010	17
Nov-2010	16
Dec-2010	15
Jan-2011	14
Feb-2011	13
Mar-2011	12
Apr-2011	11
May-2011	9
Jun-2011	8
Jul-2011	7
Aug-2011	6
Sep-2011	5
Oct-2011	4
Nov-2011	3
Dec-2011	2
Jan-2012	0

Florance R 8A
Future Production Decline Estimate
Mesaverde Daily Rates

Month	Gas Volume	Month	Gas Volume
Feb-2012	-1	Feb-2015	-41
Mar-2012	-2	Mar-2015	-42
Apr-2012	-3	Apr-2015	-43
May-2012	-4	May-2015	-45
Jun-2012	-5	Jun-2015	-46
Jul-2012	-6	Jul-2015	-47
Aug-2012	-7	Aug-2015	-48
Sep-2012	-9	Sep-2015	-49
Oct-2012	-10	Oct-2015	-50
Nov-2012	-11	Nov-2015	-51
Dec-2012	-12	Dec-2015	-52
Jan-2013	-13	Jan-2016	-54
Feb-2013	-14	Feb-2016	-55
Mar-2013	-15	Mar-2016	-56
Apr-2013	-16	Apr-2016	-57
May-2013	-18	May-2016	-58
Jun-2013	-19	Jun-2016	-59
Jul-2013	-20	Jul-2016	-60
Aug-2013	-21	Aug-2016	-61
Sep-2013	-22	Sep-2016	-63
Oct-2013	-23	Oct-2016	-64
Nov-2013	-24	Nov-2016	-65
Dec-2013	-25	Dec-2016	-66
Jan-2014	-27	Jan-2017	-67
Feb-2014	-28	Feb-2017	-68
Mar-2014	-29	Mar-2017	-69
Apr-2014	-30	Apr-2017	0
May-2014	-31	May-2017	0
Jun-2014	-32	Jun-2017	0
Jul-2014	-33	Jul-2017	0
Aug-2014	-34	Aug-2017	0
Sep-2014	-36	Sep-2017	0
Oct-2014	-37	Oct-2017	0
Nov-2014	-38	Nov-2017	0
Dec-2014	-39	Dec-2017	0
Jan-2015	-40	Jan-2018	0