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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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2018 JAN 11 P 3:20

NEW MEXICO OIL CONSERVATION DIVISION

Geological & 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

Applicant: BP America Production Company OGRID Number: 000778
 Well Name: Florance R #8A API: 30-045-21789
 Pool: Blanco-Mesaverde, Basin Fruitland Coal Pool Code: 72319; 71629

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for (A)

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for (I) or (II)

(I) Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

(II) Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

3) **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.

Toya Colvin

Print or Type Name

Toya Colvin

Signature

01/08/2018

Date

281-892-5369

Phone Number

Toya.Colvin@bp.com

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., 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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☐ Single Well
☐ Establish Pre-Approved Pools
☐ EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

BP America Production Company 737 North Eldridge Pkwy, Houston, TX 77079
Operator Address

NMSF080004 Lease Florance R #8A Well No. I-14-30N-09W Unit Letter-Section-Township-Range San Juan, NM County

OGRID No. 000778 Property Code 000548 API No. 30-045-21789 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BASIN FRUITLAND COAL		BLANCO-MESAVERDE
Pool Code	71629		72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2518-2632		4532- 4989
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	100 psi		160 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1118 BTU		1225 BTU
Producing, Shut-In or New Zone	Producing		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date:12/21/2017 Rates: 57 Mscfd 0 bopd	Date: Rates:	Date: 12/21/2017 Rates: 11 Mscfd 0.1 bopd
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0% 84%	Oil Gas % %	Oil Gas 100% 16%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐ N/A ☒

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Toya Colvin TITLE Regulatory Analyst DATE 01/08/2018

TYPE OR PRINT NAME Toya Colvin TELEPHONE NO. (281) 892-5369

E-MAIL ADDRESS Toya.Colvin@bp.com

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-21789
5. Indicate Type of Lease STATE ☐ FEE ☐
6. State Oil & Gas Lease No. Federal Well NMSF080004
7. Lease Name or Unit Agreement Name Florance R
8. Well Number 8A
9. OGRID Number 000778
10. Pool name or Wildcat Blanco-Mesaverde; Basin Fruitland Coal

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 ☐ Gas Well ☒ Other	
2. Name of Operator BP America Production Company	
3. Address of Operator 737 North Eldridge Parkway, 12.181A Houston, TX 77079	
4. Well Location Unit Letter I : 1450 feet from the South line and 1025 feet from the East line Section 14 Township 30N Range 09W NMPM County San Juan	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6042'	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☒			
CLOSED-LOOP SYSTEM ☒			
OTHER: ☐		OTHER: ☐	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BP requests to downhole commingle the existing Blanco-Mesaverde and Basin Fruitland Coal formations in the subject well.

The Basin Fruitland Coal (71629) and Blanco-Mesaverde (72319) interest owners are identical between these two pools, therefore notification is not required. Please see attached Land Letter.

Production is proposed to be allocated based on a fixed percentage. Allocation will be as follows: Blanco-Mesaverde= Gas 16% Oil 100%, Basin Fruitland Coal= Gas 84% Oil 0%. For allocation we performed a decline curve analysis for the MV only production and estimated December's contribution. We then did a decline curve analysis for the commingled production and got a second estimate. The MV allocation is simply MV production/total production. We then backed out the FT production by subtracting the MV from 1.

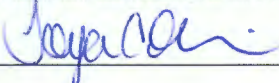
Commingling production downhole in the subject well from the proposed pools will not reduce the value of the total remaining production.

Please see the attached procedure, wellbore schematics & C-102 plats. BLM notified via 3160-5 form for Federal Lease NMSF080004

Spud Date: **07/28/1975**

Rig Release Date:

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

SIGNATURE  TITLE Regulatory Analyst DATE 01/08/2018

Type or print name Toya Colvin E-mail address: Toya.Colvin@bp.com PHONE: 281-892-5369

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):



January 08, 2018

BP America Production Co.
Lower 48 Onshore

Craig T. Ferguson
craig.ferguson@bp.com
281-892-5743 (direct)

E3, 12.173B
737 N. Eldridge Parkway
Houston, Texas 77079

RE: Florance R 008A FC/MV – Commingle Application
NESE Section 14-T30N-R09W
San Juan County, NM
API #30-045-21789

Hello:

On behalf of BP America Production Company (“BP”), operator of the Florance R 008A (FC/MV) located in a unit defined as all of W/2 Section 14 T30N R09W, San Juan County, NM. I have reviewed BP’s division order records and other title records concerning the above reference well and determined the following WI interest for the Fruitland Coal and Mesa Verde formations:

<u>Company</u>	<u>WI</u>
BP America Production Cos.	50.000000%
ConocoPhillips Company c/o Hilcorp San Juan, LP Land Department 1111 Travis St. Houston, TX 77002	50.000000%
Total	100.000000%

The Florance R 008A – FC/MV consists of one (1) Federal leases; SF-080004, 1/8th Royalty

Please contact me at 281-892-5743 if you have any questions concerning this topic.

A handwritten signature in black ink, appearing to read 'Craig T. Ferguson'.

Sincerely,
Craig T. Ferguson
Land Negotiator

FLORANCE R 008A-FT/MV

API # 30-045-21789-00

Location: Unit I - Sec 14 – T30N – R09W

San Juan County, New Mexico

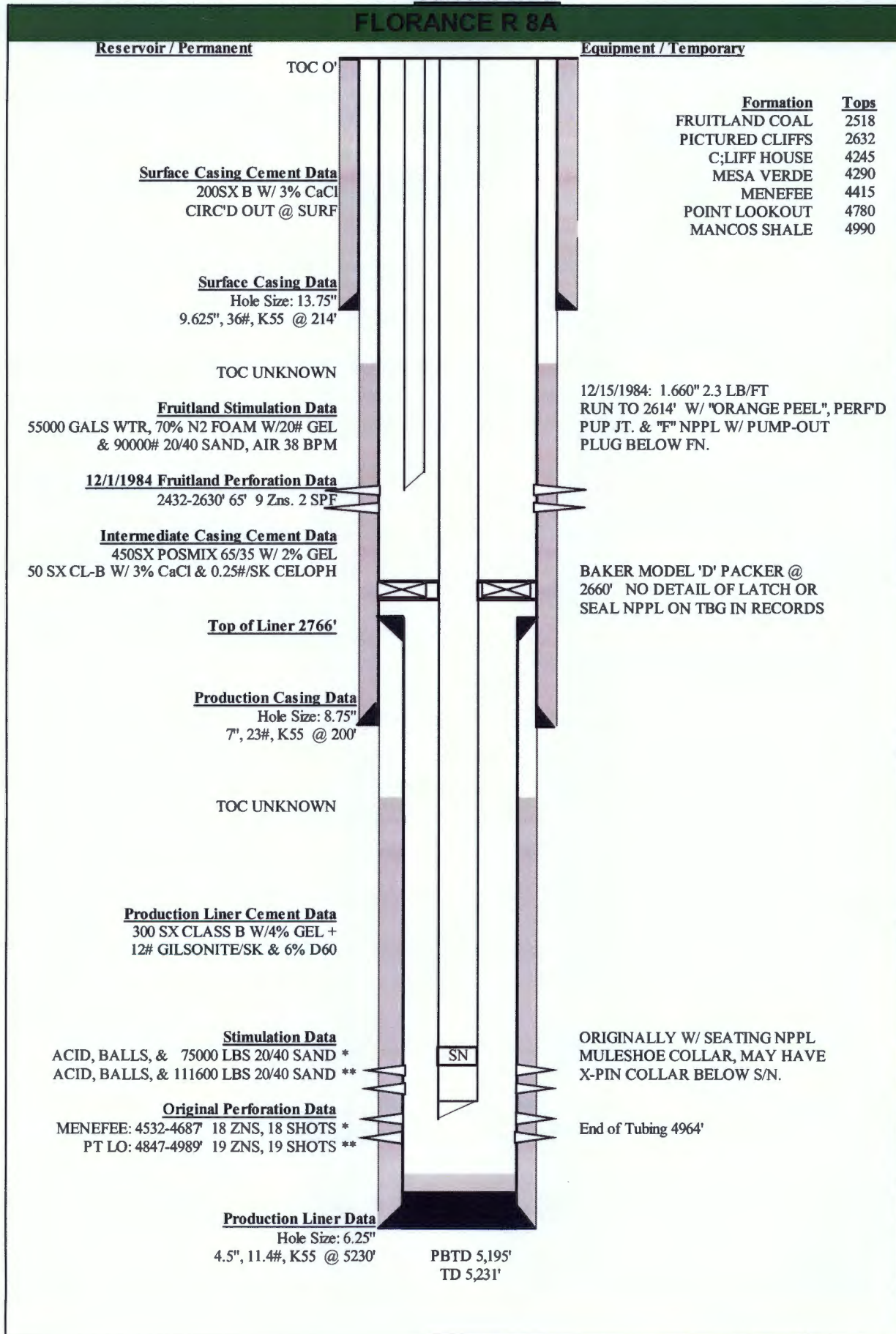
Reason/Background for Job

The proposed work is to pull the current completion, remove the existing packer, cleanout the wellbore, run tubing, pump and rods, and return the well to production as a Fruitland Coal/Mesa Verde downhole commingled well.

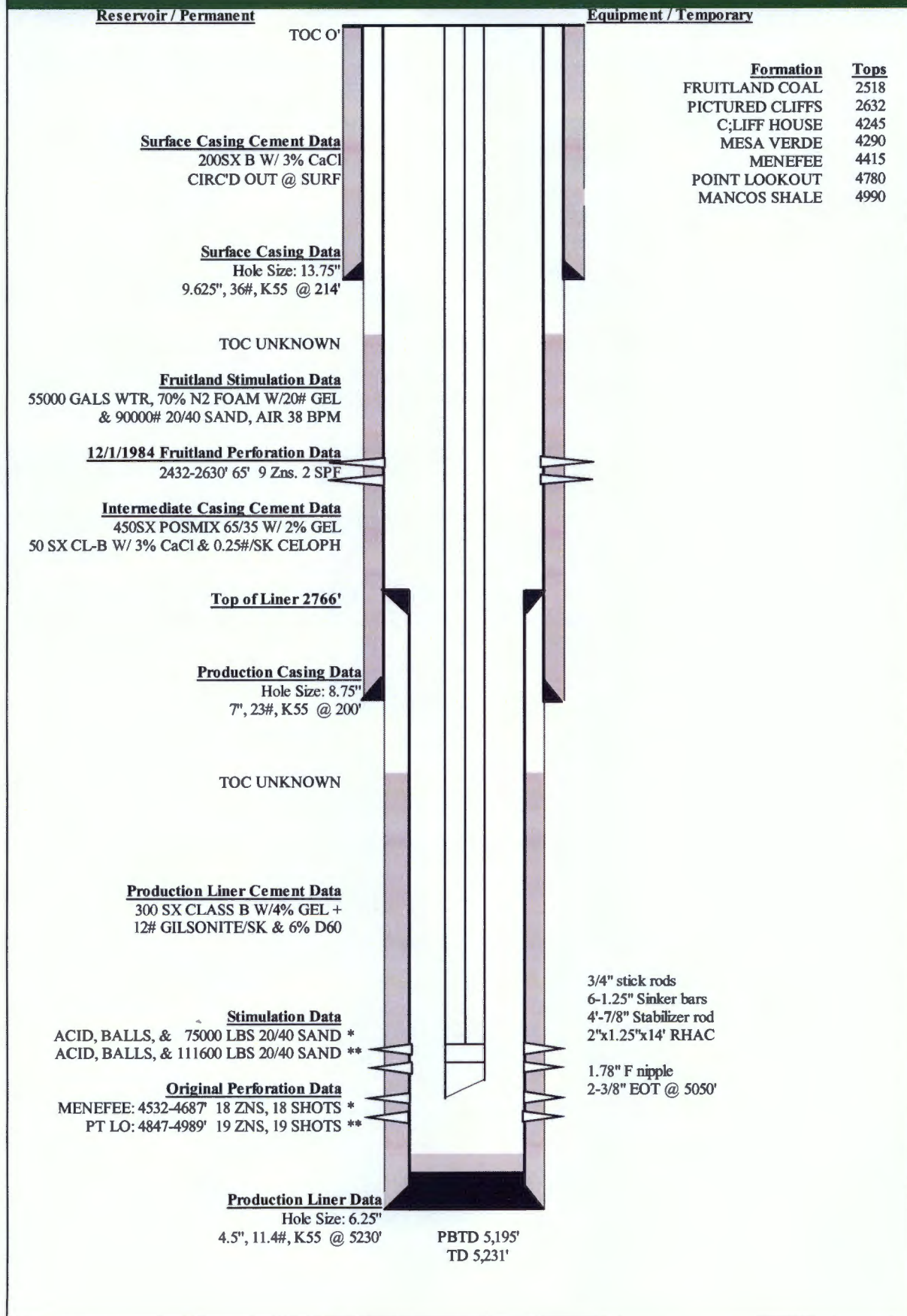
Basic job procedure

1. Pull Fruitland Coal tubing string
2. Pull Mesa Verde tubing string
3. Remove permanent packer
4. Cleanout the wellbore
5. Run tubing to 5050'
6. Run pump and rods
7. Return well to production as a Fruitland Coal/Mesa Verde commingled well

Current WBD FLORANCE R 8A



Proposed WBD **FLORENCE R 8A**



District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-045-21789		² Pool Code 71629	³ Pool Name 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. I	Section 14	Township 30N	Range 09W	Lot Idn	Feet from the 1450	North/South line South	Feet from the 1025	East/West line 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 the	North/South line	Feet from the	East/West line	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.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature _____ Date 1/08/2018 Tova Colvin Printed Name _____ Tova.Colvin@bp.com E-mail Address _____	
	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> Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Previously Filed Certificate Number _____	

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OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-21789	² Pool Code 72319	³ Pool Name Blanco-Mesaverde
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

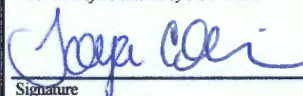
¹⁰ Surface Location

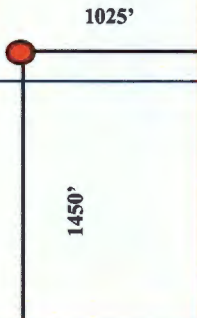
UL or lot no. I	Section 14	Township 30N	Range 09W	Lot Idn	Feet from the 1450	North/South line South	Feet from the 1025	East/West line East	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	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.

¹⁶						¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature Date 1/08/2018 Toya Colvin Printed Name Toya.Colvin@bn.com E-mail Address
						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> Date of Survey Signature and Seal of Professional Surveyor: Previously Filed Certificate Number



MV Gas Production Average Gas Volume

1999

Jan	244.2580645
Feb	331.9642857
Mar	302.1935484
Apr	234.0333333
May	198.7419355
Jun	213.2413793
Jul	216.4516129
Aug	227.9677419
Sep	170.466667
Oct	154.1290323
Nov	155.3
Dec	327.3548387

2000

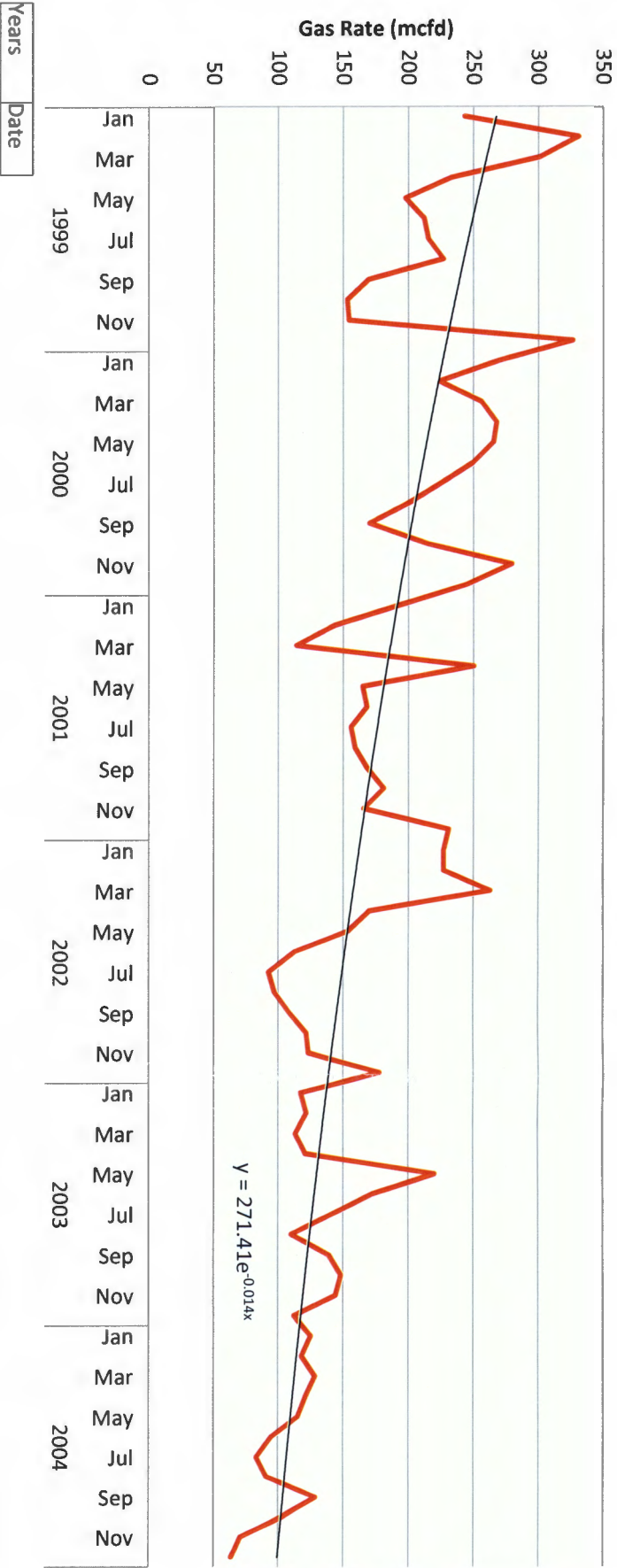
Jan	270.6129032
Feb	224.8965517
Mar	257.1290323
Apr	268.966667
May	266.6129032
Jun	250.9333333
Jul	226.6774194
Aug	201.1290323
Sep	171.1
Oct	215.4193548
Nov	280.5
Dec	245.9032258

2001

Jan	195.0645161
Feb	144.5714286
Mar	114.9677419
Apr	251.2333333
May	165.9354839
Jun	169.066667
Jul	156.9354839
Aug	159.9

Average Gas Volume

Gas Production - MV Only



MV Only Forecast

Qi (mcf/d)	271.41
Decline (%)	1.4%
t (months)	228
Q 2018 (mcf/d)	11.15

Formation

Percent Allocation

Mesa Verde	16%
Fruitland Coal	84%

Sep	169.1
Oct	181.9354839
Nov	166.8
Dec	231.8387097

2002

Jan	228.0967742
Feb	227.8928571
Mar	264
Apr	170.8666667
May	154.5483871
Jun	113.6333333
Jul	93.58064516
Aug	98
Sep	109.4666667
Oct	122.3870968
Nov	124.3
Dec	178.7419355

2003

Jan	118.3793103
Feb	122.75
Mar	114.0967742
Apr	121.9
May	221.2580645
Jun	173.5666667
Jul	141.8064516
Aug	111.0645161

Oct	149.3548387
Nov	145.0633333
Dec	113.3580645

2004

Jan	126.1774194
Feb	119.2793103
Mar	129.4032258
Apr	122.3033333
May	116.2225806
Jun	95.85
Jul	84.43225806
Aug	92.06774194

Sep	129.443333
Oct	103.8354839
Nov	71.87
Dec	64.68064516
Grand Total	174.6309415

Nov	107.4333333
Dec	103.0645161
2011	

Jan	5.387096774
Mar	96.93548387
Apr	106.8333333
May	92.25806452
Jun	68.3
Jul	79.77419355
Aug	94.93548387
Sep	84.66666667
Oct	103.1612903
Nov	99.73333333
Dec	96.06451613

2012	
Jan	94.96774194
Feb	92.65517241
Mar	79.61290323
Apr	83.73333333
May	67
Jun	63.53333333
Jul	84.06451613
Aug	76.22580645
Sep	82.73333333
Oct	80.58064516
Nov	77.96666667
Dec	40.48387097

2013	
Jan	0.774193548
Feb	1.964285714
Mar	54.64516129
Apr	125.1
May	79.4516129
Jun	81.6
Jul	87.48387097
Aug	86.51612903
Sep	89.6
Oct	77.90322581
Nov	51.7

2017

Jan	86.48387097
Feb	84.17857143
Mar	141.3225806
May	112.5806452
Jun	131.4
Jul	67.35483871
Aug	70.61290323
Sep	70.76666667
Oct	111.4193548
Nov	141.3
Dec	66
Grand Total	113.4692779