

DATE IN 02/01/13	SUSPENSE	ENGINEER RE	LOGGED IN 02/05/13	TYPE PEC PC	APP NO. PPRG1303729968
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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



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

JAN 03 2013

5. Lease Serial No.

SF-078132

6. If Indian, Allottee or tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

2. Name of Operator

BP America Production Company Attn: Ranad Abdallah

8. Well Name and No.

A.L. Elliott D #1A and G #1

9. API Well No.

30-045-22338(D#1A) & 30-045-26623 (G#1)

3a. Address

P.O. Box 3092 Houston, TX 77253

3b. Phone No. (include area code)

281-366-4632

10. Field and Pool, or Exploratory Area

Blanco MV & Basin Dakota

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

Sec 12 29N & 9W (D #1A -MV) --- 1710' FNL & 1590' FWL ; (G #1 -DK)
1710' FNL & 1510' FWL

11. County or Parish, State

San Juan, New Mexico

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Water Disposal

☐ Water shut-Off

☐ Well Integrity

☒ Other Amend surface
commingling and
allocation

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 recomplete 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 recompletion 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

J. Ambrose

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)

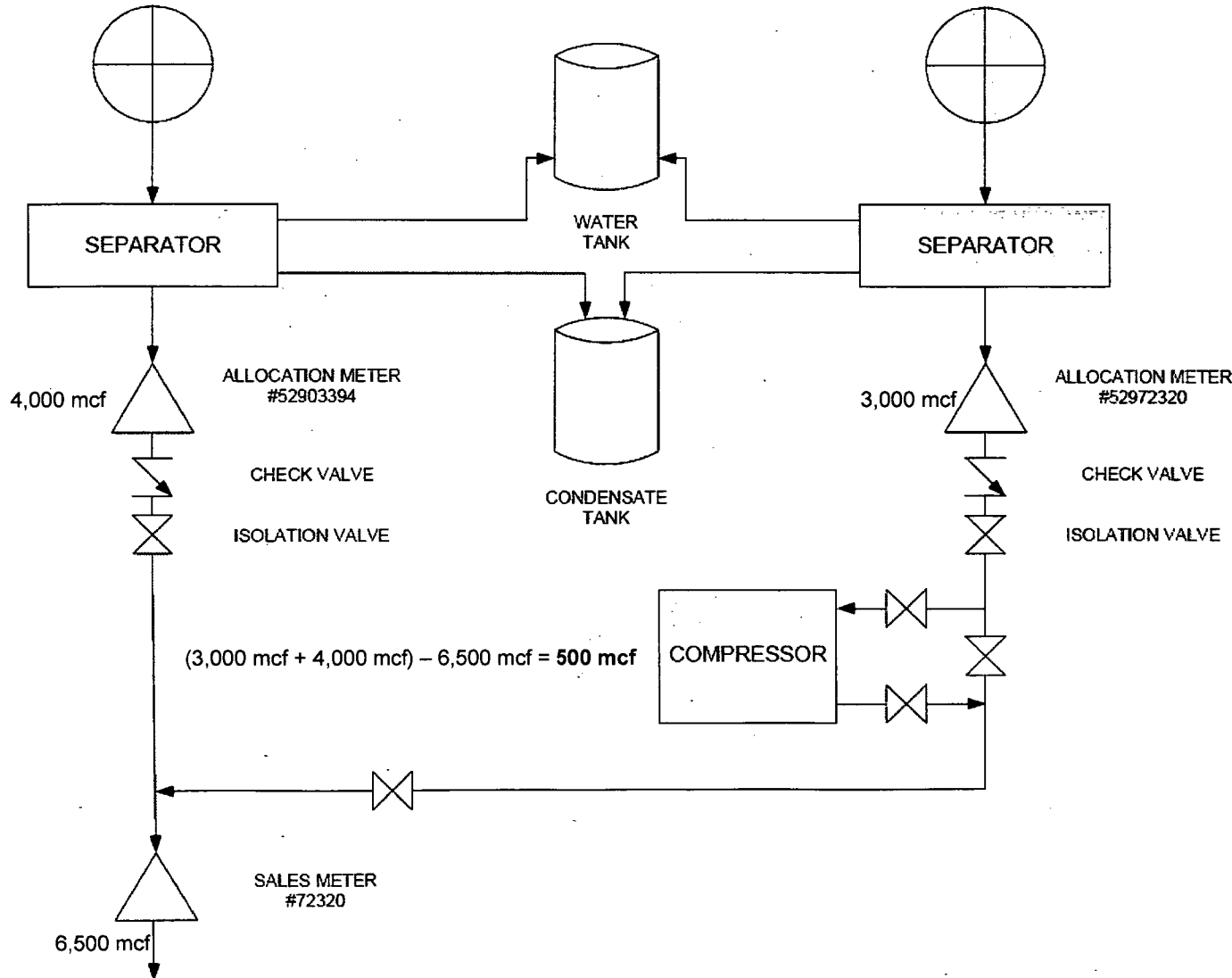
30-045-26623
Wf_hz 846722_01

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

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