

DATE IN 9/5/06	SUSPENSE 9/26/06	ENGINEER W. JONES	LOGGED IN 9/6/06	TYPE PC	APP NO. PTD50624934814
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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 05 2006

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, NM

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.

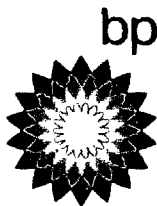
Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Cherry Hlava
Print or Type Name

Cherry Hlava
Signature

Regulatory Analyst
Title
hlavac1@bp.com
e-mail Address

08/28/2006
Date



San Juan South Asset

Cherry Hlava
WL1-19.132
281-366-4081 (direct)
281-366-0700 (FAX)
Hlavacl@bp.com

P. O. Box 3092
Houston, Texas 77253-3092
501 Westlake Park Boulevard
Houston, Texas 77079

Aug. 31, 2006

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

Surface Commingling Notice

Elliott Gas Com K 1 Blanco Pictured Cliffs
Elliott Gas Com H 1A Blanco Mesaverde
Section 26, T30N, R09W
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Blanco Pictured Cliffs & Blanco Mesaverde. Surface commingling Pictured Cliffs production will be from the Elliott GC K #1 and the Blanco Mesaverde will be from the Elliott GC H #1A. Both of these 'leases' are of the same base lease with different Working Interest ownership percentages between formations.

The production from each well will be separated & metered prior to commingling and the liquids will be removed. The commingled gas will then be sent through compression prior to entering the sales meter.

All interest owners are notified by copy of this application, via certified mail return receipt requested.

Attached in support of our application and in compliance with NMOCD Rule 303(B) are the following documents:

1. Plat with lease boundaries marked
2. Site Facility Schematic Flow Diagram
3. Address listing Interest Owners Notified
4. Form C-107-B
5. Form C-103

Should you have any questions concerning this matter please contact me at 281-366-4081.

Sincerely,

A handwritten signature in cursive script that reads 'Cherry Hlava'.

Cherry Hlava
Regulatory Analyst

CC: NMOCD
1000 Rio Brozos Rd
Aztec, NM 87410

Submit 3 Copies To Appropriate District Office
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
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised March 25, 1999

WELL API NO.
Reference Below
5. Indicate Type of Lease STATE FEE
6. State Oil & Gas Lease No.

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

7. Lease Name or Unit Agreement Name:
Elliott GC K & Elliott GC H
(Federal Lease NMSF - SF - 078139 BLM
Notified on Form 3160-5)

2. Name of Operator
BP America Production Company Attn: Cherry Hlava

8. Well No.
Nos. 1 & 1A

3. Address of Operator
P.O. Box 3092 Houston, TX 77253

9. Pool name or Wildcat
Blanco PC & Blanco Mesaverde

4. Well Location
Unit Letter O (see C-102) feet from the South line and _____ feet from the East line
Section 26 Township 30N Range 9W NMPM San Juan County
10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <u>Surface Commingle</u> <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
BP America Production Company respectfully requests authorization to surface commingle gas production from the Elliott GC K #1 reservoir Blanco Pictured Cliffs (30-045-09109) and the Elliott GC H 1A reservoir Blanco Mesaverde (30-045-22681). The production from each well will be separated & metered prior to commingling and the liquids removed. The commingled gas will then be sent through compression prior to entering the sales meter.

The working interest, royalty and overriding royalty interest owners in the subject wells are different therefore notification is required by certified return receipt 9/01/06) The proposed commingling of production is to reduce operating expenses between the wells and will result in increased economic life of the wells.

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

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

SIGNATURE Cherry Hlava TITLE Regulatory Analyst DATE 09/01/2006
Type or print name Cherry Hlava Telephone No. 281-366-4081
(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____
Conditions of approval, if any:

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 See Below	² Pool Code 72359 & 72319	³ Pool Name Blanco Pictured Cliffs & Blanco Mesaverde
⁴ Property Code 449 & 448	⁵ Property Name Elliott Gas Com K & Elliott Gas Com H	⁶ Well Number #1 & #1A
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 5773

¹⁰ Surface Location

UL or lot no. O	Section 26	Township 30N	Range 09W	Lot Idn	Feet from	North/South South	Feet from	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 160 & 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

Engergen Resources Federal 26 #1 30-045-28121 900' N & 1480' E Basin FC	See attached plat Elliott T / 30-045-20297 1480' 900' Elliott GC H #1 Blanco MV 30-045-09223	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Cherry Hlava</i> Signature Cherry Hlava Printed Name Regulatory Analyst Title 9/1/2006 Date
Federal 30-9-26 #1S 30-045-33497 Engergen <i>F. Coal</i>	Elliott GC H 1A 30-045-22681 1020' FSL & 1590' FEL Blanco MV Unit outline Red See attached plat	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. on file Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
Elliott GC K #1 30-045-09109 1190' FSL & 1675' FEL Blanco PC Unit Outline Blue	1190' 1020' 1400'	

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

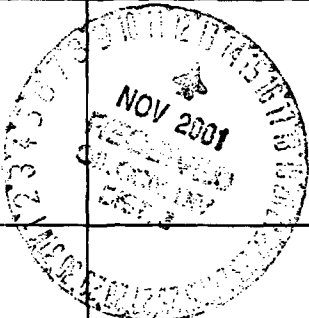
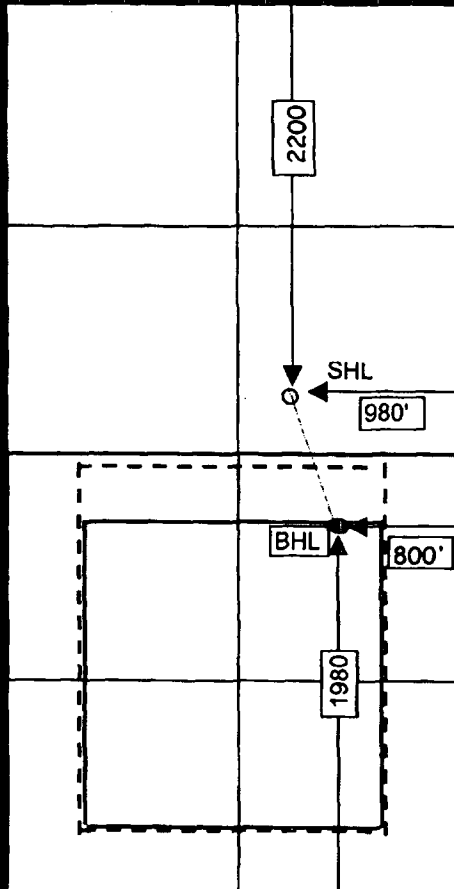
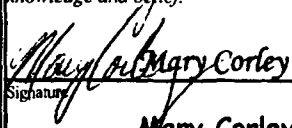
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-30572		² Pool Code 71599 & 72319		³ Pool Name Basin Dakota & Blanco Mesaverde					
⁴ Property Code 000448		⁵ Property Name Elliott Gas Com H						⁶ Well Number 1A / B	
⁷ OGRID No. 000778		⁸ Operator Name Amoco Production Company						⁹ Elevation 5872'	
¹⁰ Surface Location									
UL or lot no. Unit H	Section 26	Township 30N	Range 09W	Lot Idn	Feet from 2200'	North/South North	Feet from 980'	East/West East	County San Juan
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. Unit I	Section 26	Township 30N	Range 09W	Lot Idn	Feet from 1980'	North/South South	Feet 800'	East/West East	County San Juan
¹² Dedicated Acres 315.32		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

 Mesaverde --- Dakota ---					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Mary Corley Printed Name Sr. Regulatory Analyst Title 11/07/2001 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. 1/5/2001 Date of Survey Signature and Seal of Professional Surveyor: Gary D Vann 7016 Certificate Number	

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

30-045-20297

All distances must be from the outer boundaries of the Section

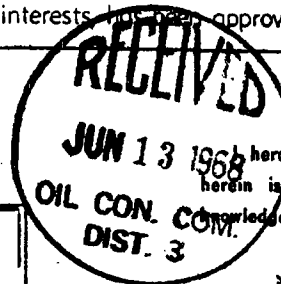
Operator PAN AMERICAN PETROLEUM CORPORATION			Lease ELLIOTT GAS COM "T"		Well No. 1
Unit Letter B	Section 26	Township 30 NORTH	Range 9 WEST	County SAN JUAN	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 790 feet from the NORTH line and 1615 feet from the EAST line </div>					
Ground Level Elev. REPORT LATER	Producing Formation PICTURED CLIFFS	Pool BLANCO PICTURED CLIFFS		Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

() Yes () No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

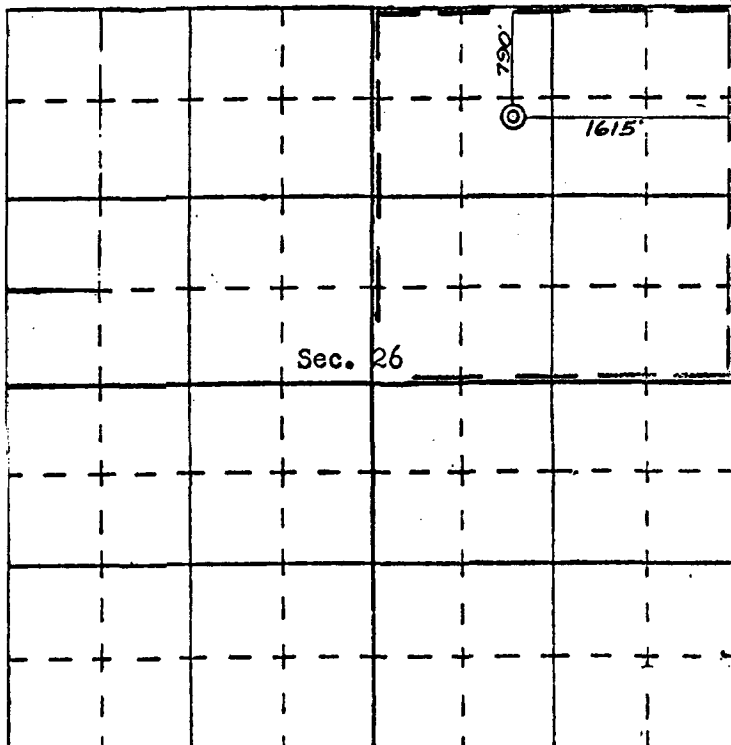
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name G. W. Eaton, Jr.
 Position Area Engineer
 Company PAN AMERICAN PETROLEUM CORP.
 Date April 17, 1968



SCALE—4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

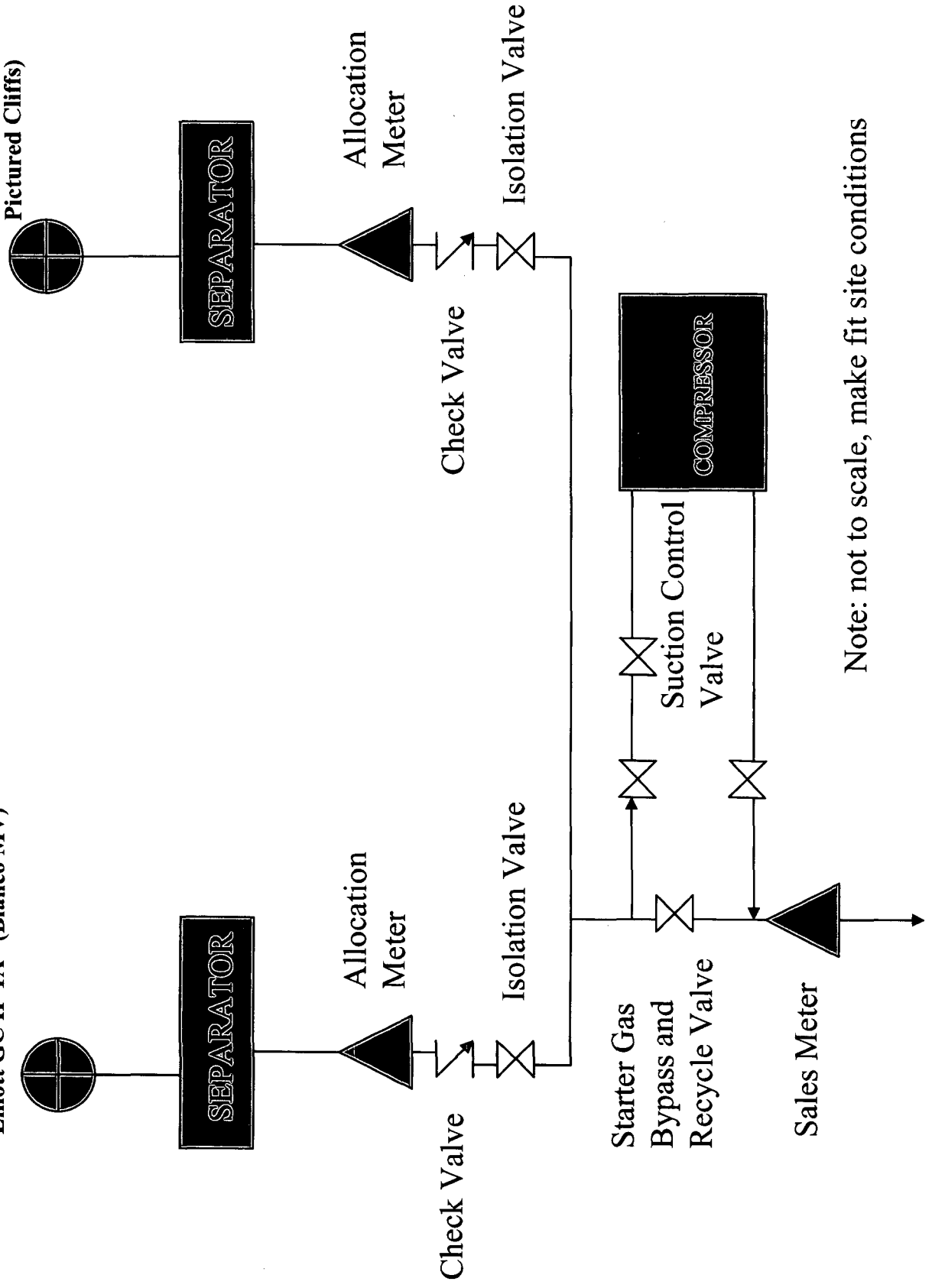
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed April 6, 1968
 Registered Professional Engineer
 and/or Land Surveyor
JAMES R. LEESE
1463
 Certificate No.

Elliott GC Shared Compression

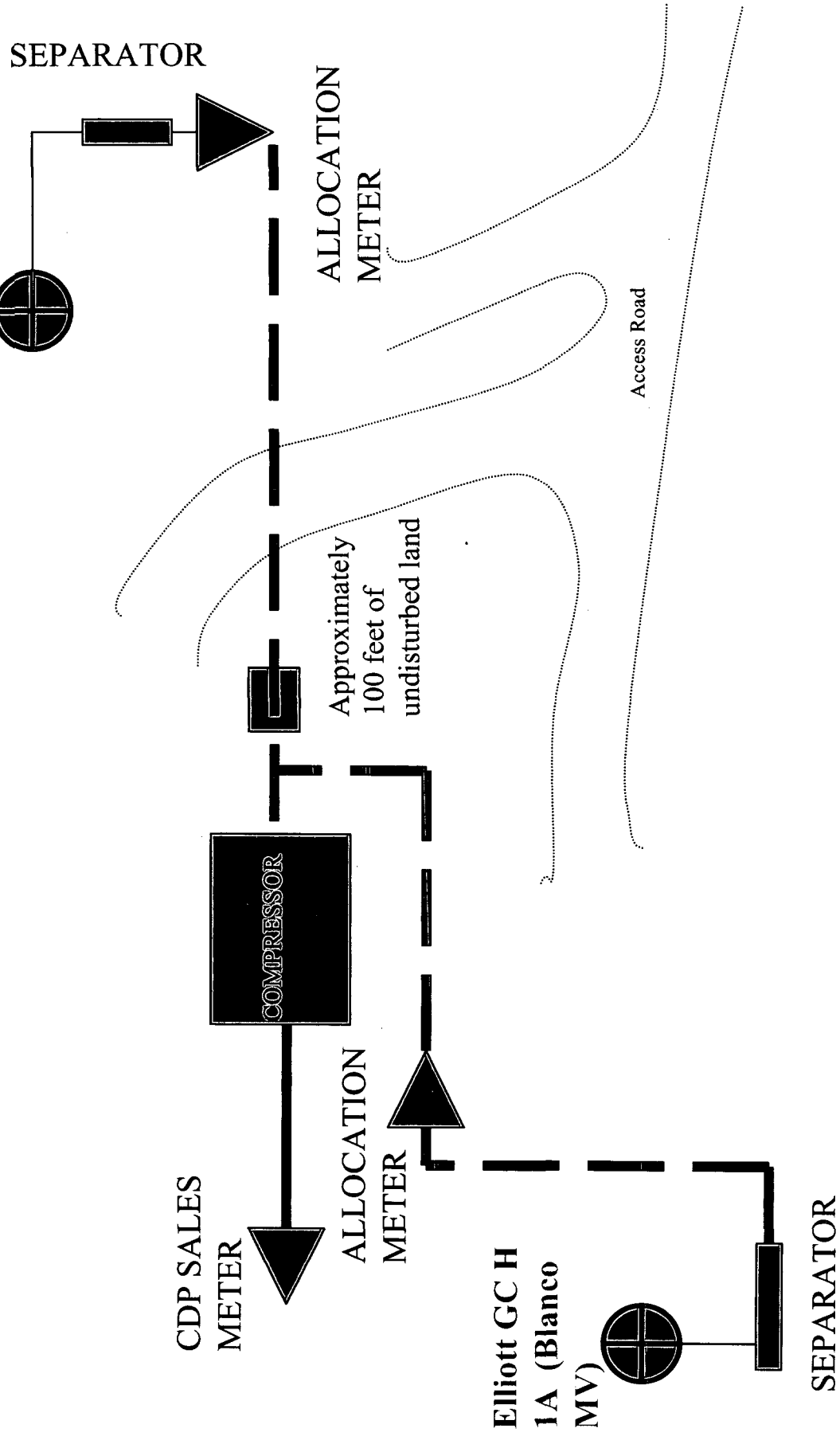
Elliott GCH 1A (Blanco MV)

Elliott GC K #1 (Blanco
Pictured Cliffs)



Access Road

ELLIOTT GCH #1A SECTION 26, T30N, R09W, Elliott GC K #1 (PC)



Surface Commingling Interest Owners for Elliott Gas Com K 1 & Elliott Gas Com H 1A
Notification sent certified mail return receipt 9/1/2006

SYNERGY OPERATING LLC
P O BOX 5513
FARMINGTON, NM 87499-5513

BURLINGTON RESOURCES OIL AND GAS CO
PO BOX 840656
DALLAS, TX 75284-0656

EDWINA PETERSEN , 1980 TRUST
EDWINA PETERSEN TRUSTEE
704 REFUGIO RD
SANTA YNEZ, CA 93460-9701

ELLIOTT HALL COMPANY
PO BOX 1231
OGDEN, UT 84402-1231

ELLIOTT INDUSTRIES
PO BOX 3300
ROSWELL, NM 88202

JO ANNE TRELOAR
4951 PARADISE RD
SANTA BARBARA, CA 93105-9708

MIDWEST OIL CORPORATION
GENERAL DELIVERY
OKLAHOMA CITY, OK 73102

MINERALS MANAGEMENT SERVICE
PO BOX 5810 TA
DENVER, CO 80217-5810

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
Blanco Picture Cliffs 72359 (#1)	1171 BTU	1171 BTU		29 MCFD	29
Blanco MV 72319 (#1A)	1211 BTU	1211 BTU		50 MCFD	50

(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.

(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: Cherry Hlava TITLE: Regulatory Analyst DATE: 09/01/2006

TYPE OR PRINT NAME Cherry Hlava TELEPHONE NO.: 281-366-4081

E-MAIL ADDRESS: hlavac@bp.com