

DATE IN 11/13/06	SUSPENSE	ENGINEER W. JONES	LOGGED IN 11/14/06	TYPE P. C.	APP NO. P TDS0631855523
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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.

Cherry Hlava
 Print or Type Name

Cherry Hlava
 Signature

Regulatory Analyst
 Title

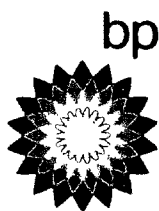
11/03/2006
 Date

hlavacl@bp.com
 e-mail Address

RECEIVED

NOV 13 2006

Oil Conservation Division
 1220 S. St. Francis Drive
 Santa Fe, NM 87505



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

November 3, 2006

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

Surface Commingling Notice
Hardie LS #1
Wilch A #1
Section 26, T29N, R08W
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Basin Dakota & Blanco Mesaverde. Surface commingling Dakota production will be from the Wilch A 1 (api 30-045-07902) & Mesaverde production will be from the Hardie LS #1 (api 30-045-07893). Both of these 'leases' are of the same base lease **with same ownership between formations.**

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

All interest owners are the same therefore no notification is necessary.

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

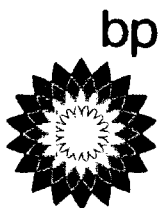
1. Plats with lease boundaries showing all well and facility locations.
2. Site Facility Schematic Flow Diagram
3. Form C-107-B
4. Land Certification Letter

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

Yours very truly

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

Cherry Hlava
Regulatory Analyst



BP America Production Company

Onshore US, North America Gas SPU
501 Westlake Park Boulevard
Houston, Texas 77079

Michael J. Beirne

Land Negotiator

Phone: 281.366.1634

Fax: 281.366.0700

Email: michael.beirne@bp.com

November 6, 2006

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

RE: Surface Commingling Application
Hardie LS #1
Wilch A #1
Township 29 North, Range 8 West, N.M.P.M.
Section 26
San Juan County, New Mexico

Ladies and Gentlemen:

Please be advised that the working interest, royalty, and overriding royalty interest owners are identical in each of the referenced wells.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Beirne".

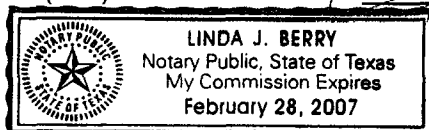
Michael J. Beirne
Land Negotiator

State of Texas

County of Harris

On this 8th day of November, 2006, before me, the undersigned notary public, personally appeared Michael J. Beirne known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that he/she/they executed the same for the purposes therein contained.

(seal)



A handwritten signature in black ink, appearing to read "Linda J. Berry".
Notary Public

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 Mesaverde 72319	.738/1273 BTU	1273 BTU		200 MCFD	200
Basin Dakota 71599	.623/1081 BTU	1081 BTU		200 MCFD	200

- (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. Same in both reservoirs
(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: 11/03/2006
TYPE OR PRINT NAME Cherry Hlava TELEPHONE NO.: 281-366-4081-
E-MAIL ADDRESS: hlavaci@bp.com

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 30-045-07893	² Pool Code 72319	³ Pool Name Blanco Mesaverde
⁴ Property Code 000631	⁵ Property Name Hardie LS	⁶ Well Number 1
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 6418'

¹⁰ Surface Location

UL or lot no. B	Section 26	Township 29N	Range 08W	Lot Idn	Feet from 990'	North/South North	Feet from 1650'	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 <i>Cherry Hlava</i>	
	Printed Name Cherry Hlava	
	Title Regulatory Analyst	
	Date 11/3/2006	
	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>	
	on file	
	Date of Survey	
	Signature and Seal of Professional Surveyor:	
	Certificate Number	

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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- 07902	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 001215	⁵ Property Name Wilch A	⁶ Well Number 1
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 6455

¹⁰ Surface Location

UL or lot no. B	Section 26	Township 29N	Range 08W	Lot Idn	Feet from 795	North/South North	Feet from 1705'	East/West East	County San Juan
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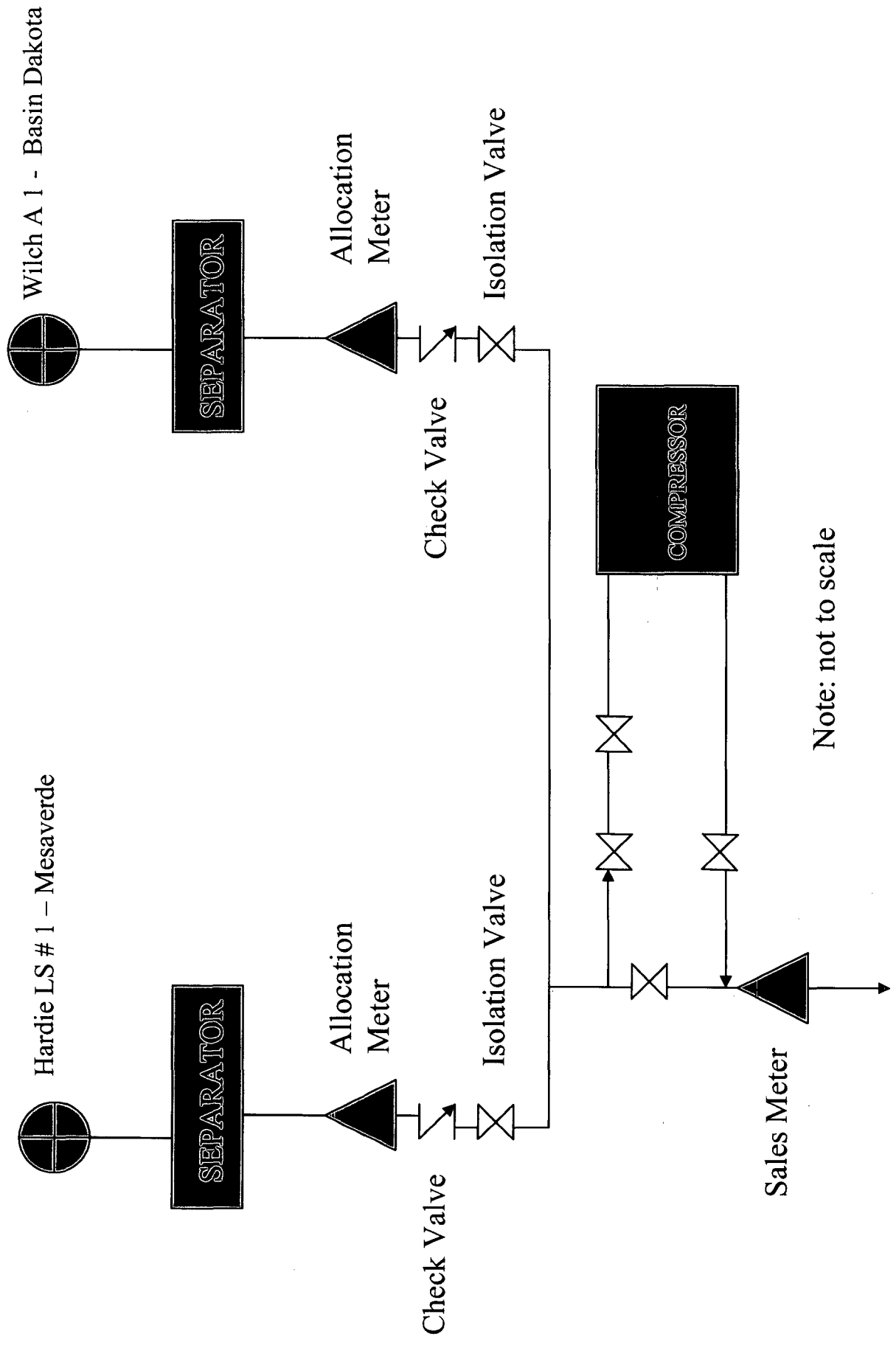
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet	East/West	County
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	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 Cherry Hlava Printed Name Regulatory Analyst Title 11/3/2006 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> on file Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

Hardie LS 1 & Wilch A 1 Proposed Shared Compression



SHARED COMPRESSOR SCHEMATIC FOR HARDIE LS 1 & WILCH A

1 SECTION 26, T29N, R8W

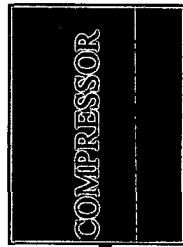
Access Road

Wilch A 1 (DK)

SEPARATOR



CDP SALES
METER



ALLOCATION
METER



Approximately
100 feet of
undisturbed land



ALLOCATION
METER

Hardie LS 1
(MV)



SEPARATOR

Access Road

