

Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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

Form C-103
October 13, 2009

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

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.)		WELL API NO. 30-045-29305 (2A) & 30-045-32426 (4S)
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator BP America Production Company		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 3092 Houston, TX 77253		7. Lease Name or Unit Agreement Name McCulley LS
4. Well Location Unit Letter <u>E</u> : _____ feet from the <u>North</u> line and _____ feet from the <u>West</u> line Section <u>14</u> Township <u>28N</u> Range <u>09W</u> NMPM <u>San Juan</u> County		8. Well Number 2A & 4S
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 000778
		10. Pool name or Wildcat MV & CH (2A) Fruitland Coal (4S)

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER Surface Commingle – Amend to add McCulley LS 4S ☒

OTHER:

PC-1103-B

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 America Production Company request permission to amend Surface Commingle Order PC-1103-A; approved June 6, 2004. It is our intent to add the **McCulley LS 4 S** Fruitland Coal. The McCulley LS 8 (PC) was P&A'd 12/14/09. (see attached schematic)

Surface commingling production from the existing McCulley LS 2A (MV/CH) (DHC 1494 AZ) and **McCulley LS 4 S** (FC) 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 commingled gas will then be sent through compression prior to entering the sales meter. The difference between what is measured prior to commingling & what is sold through the sales meter is the fuel usage. This fuel usage is allocated back to each well based on the well production. (see attached schematic)

The working interest, royalty and overriding royalty interest owners in the subject wells are identical. (see land letter attached) The proposed commingling of production is to reduce operating expenses between the 2 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.

Spud Date:

Rig Release Date:

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 04/19/2010

Type or print name Cherry Hlava E-mail address: hlavacl@bp.com PHONE: 281-366-4081
For State Use Only

*APPROVED BY: [Signature] TITLE Division Director DATE 5/20/10
Conditions of Approval (if any):