

DATE IN 4-21-10	SUSPENSE	ENGINEER RE	LOGGED IN 4-21-10	TYPE PC	PTG W APP NO. 1011152926
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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



BP America

McCalley LS 2A 145

**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]

30-045-29305  
30-045-32426

- [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 Add Fruitland Coal well to order PC-1103-A

PC 1103-A

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RECEIVED OOL

- [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

*Cherry Hlava*

Regulatory Analyst

4-19-2010

Print or Type Name

Signature

Title

Date

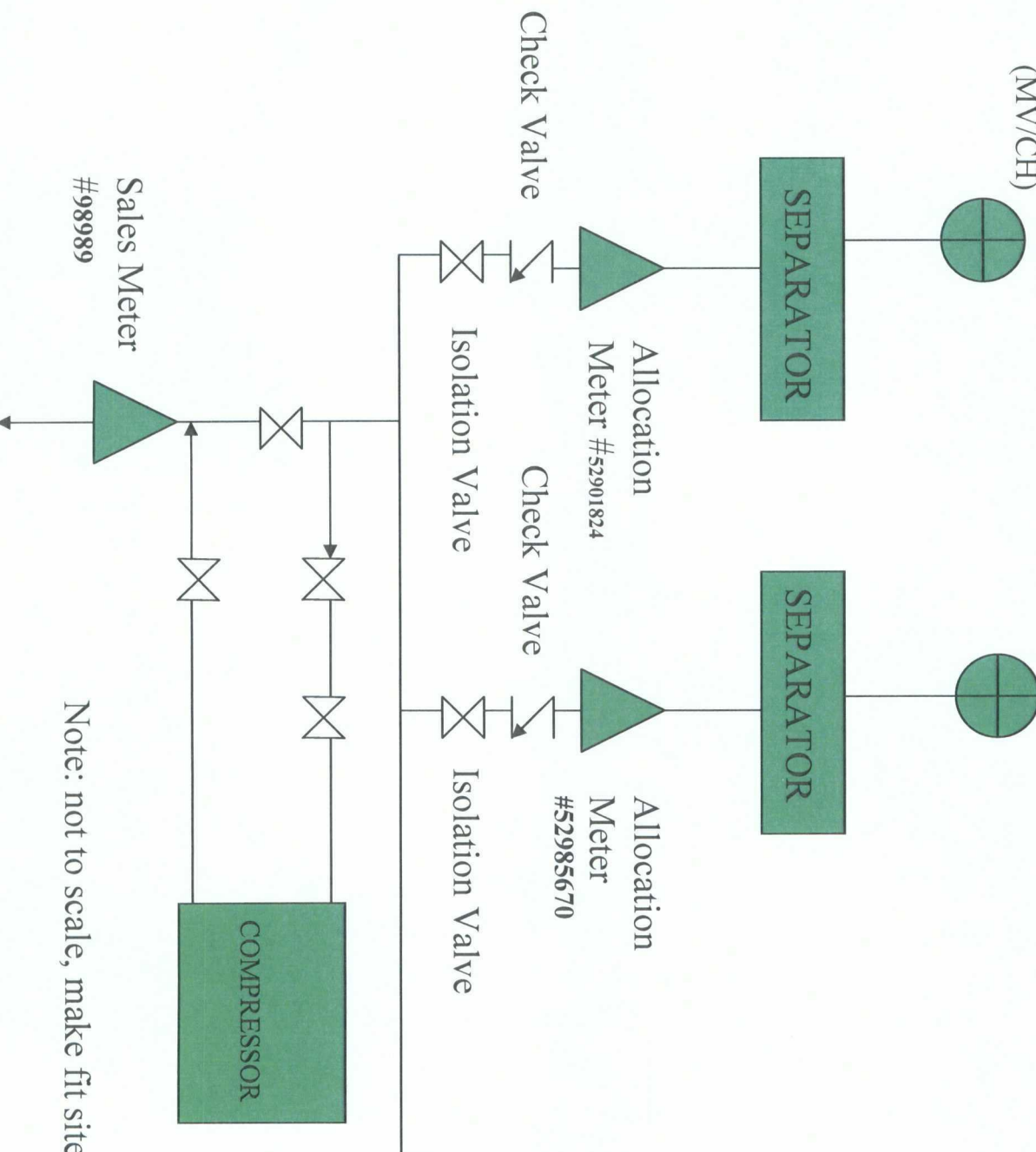
hlavacl@bp.com  
e-mail Address

# McCulley Shared Compression

McCulley LS 2A  
(MV/CH)

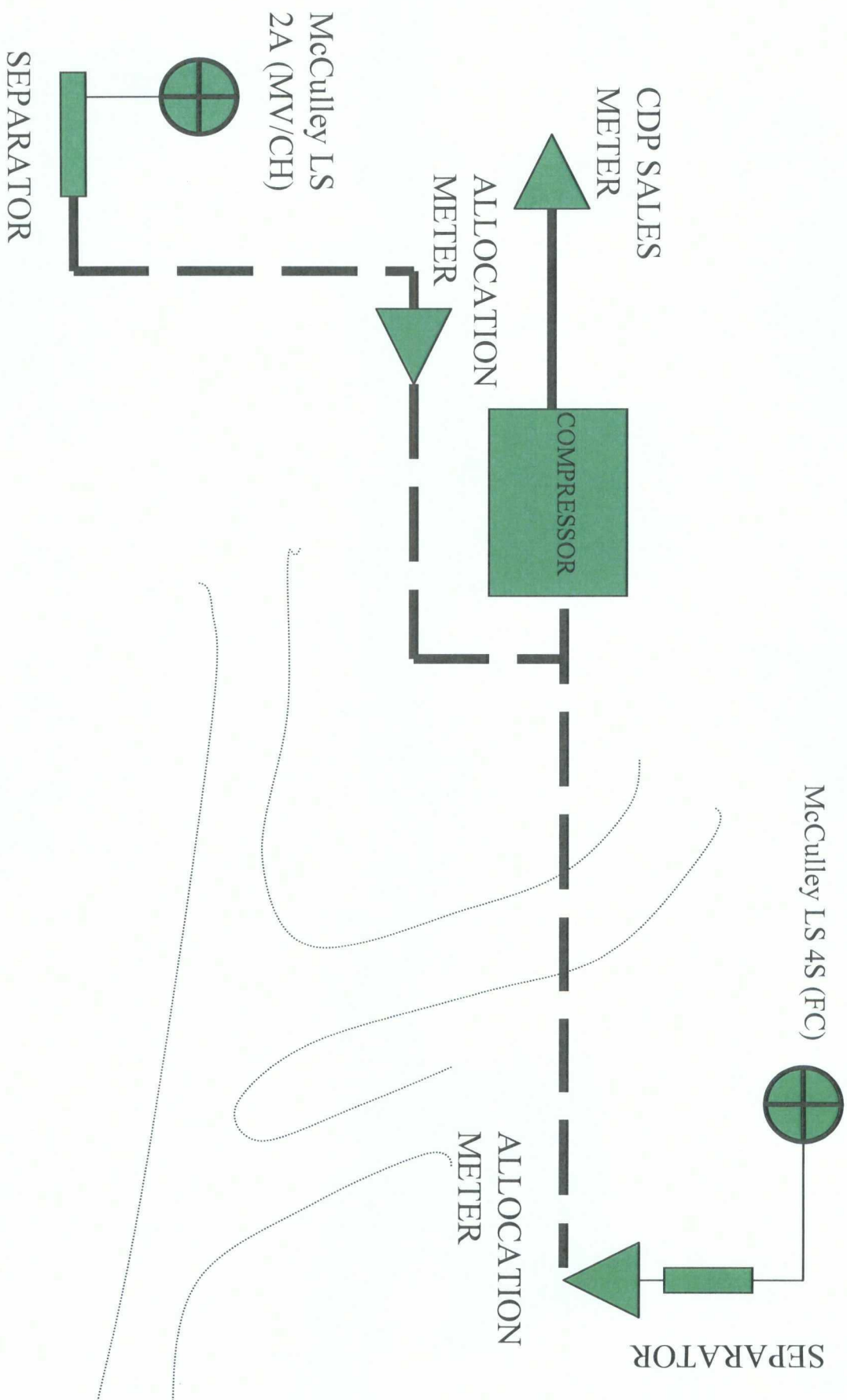
McCulley LS 4 S (FC)

McCulley LS 8 (PC)  
**P&A'd 12-14-09**



Note: not to scale, make fit site conditions

McCulley Ground Disturbance for Meters only SECTION 14, T28N, R9W



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. **PC-1103-A**

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
<b>Basin Fruitland Coal (71629)</b>	<b>1138 BTU</b>	<b>1138 BTU</b>		<b>125 mcf</b>	<b>125</b>
<b>Blanco Mesaverde (72319)</b>	<b>1253 BTU</b>	<b>1253 BTU</b>		<b>150 mcf</b>	<b>150</b>
<b>Otero Chacra (82329)</b>	<b>1253 BTU</b>	<b>1253 BTU</b>		<b>150 mcf</b>	<b>150</b>

(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. (All Interest Owners are Identical)

(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.

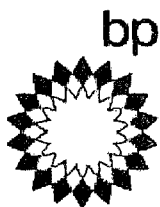
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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: 04/19/2010

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

E-MAIL ADDRESS: hlavac@bp.com



**BP America Production Company**

San Juan Performance Unit  
501 Westlake Park Boulevard  
Houston, Texas 77079  
Room 19.112B

**Ryan Fitzpatrick**

**Land Negotiator**

Phone: 281.366.8852

Fax: 281.366.0700

March 25, 2010

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

Surface Commingling Application  
McCulley LS No. 2A (MV/CH) 30-045-29305  
McCulley LS No. 4 S (FC) 30-45-32426  
McCulley LS 8 (PC/entire wellbore P&A'd) 30-045-20456  
Section 14, T28N, R09W  
San Juan County, New Mexico

Please be advised that the working interest, royalty and overriding royalty interest owners are identical for each well.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Fitzpatrick".

Ryan Fitzpatrick  
Land Negotiator

District I  
PO Box 1980, Hobbs NM 88241-1980  
District II,  
PO Drawer KK, Artesia, NM 87211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-32426	<sup>2</sup> Pool Code 71629	<sup>3</sup> Pool Name Basin Fruitland Coal
<sup>4</sup> Property Code 000854	<sup>5</sup> Property Name McCulley LS	<sup>6</sup> Well Number #4S
<sup>7</sup> OGRID No. 000778	<sup>8</sup> Operator Name BP AMERICA PRODUCTION COMPANY	<sup>9</sup> Elevation 5896

<sup>10</sup> Surface Location

UL or Lot No. E	Section 14	Township 28 N	Range 9 W	Lot Idn	Feet from the 1490	North/South line NORTH	Feet from the 910	East/West line WEST	County SAN JUAN
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<sup>11</sup> Bottom Hole Location If Different From Surface

<sup>12</sup> UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>13</sup> Dedicated Acres 3.20	<sup>14</sup> Joint or Infill	<sup>15</sup> Consolidation Code	<sup>16</sup> 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

	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: <i>Cherry Hlava</i> Printed Name: Cherry Hlava Title: Regulatory Analyst Date: 6-16-04
	<sup>18</sup> 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.  Date of Survey: April 21, 2004 Signature and Seal of Professional Surveyor: <i>GARY D. VANAN</i>  Certificate Number: 7016

**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 &amp; Natural Resources Department

*Existing well in PC-1103-A*

Form C-102

Revised August 15, 2000

**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**

<sup>1</sup> API Number <b>30-045-29305</b>	<sup>2</sup> Pool Code <b>72319 82329</b>	<sup>3</sup> Pool Name <b>Blanco Mesaverde &amp; Otero Chacra</b>
<sup>4</sup> Property Code <b>000854</b>	<sup>5</sup> Property Name <b>McCulley LS</b>	
<sup>7</sup> OGRID No. <b>000778</b>	<sup>8</sup> Operator Name <b>BP America Production Company</b>	
	<sup>6</sup> Well Number <b>2A</b>	
	<sup>9</sup> Elevation	

<sup>10</sup> Surface Location

UL or lot no. <b>Unit E</b>	Section <b>14</b>	Township <b>28N</b>	Range <b>09W</b>	Lot Idn	Feet from <b>1545</b>	North/South <b>North</b>	Feet from <b>895</b>	East/West <b>West</b>	County <b>San Juan</b>
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet	East/West	County
<sup>12</sup> Dedicated Acres <b>160 CH 320 MV</b>		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code			<sup>15</sup> 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

<div style="border: 1px solid black; padding: 5px; width: fit-content;"> <b>McCulley LS 2A</b>  <b>API # 30-045-29305</b>  <b>1545' FNL &amp; 895' FWL</b>  <b>Blanco Mesaverde &amp; Otero Chacra</b> </div>				<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
				Signature <b>Cherry Hlava</b>
				Printed Name <b>Regulatory Analyst</b>
				Title <b>03/19/2010</b>
				Date
				<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.
				<b>On File</b>
				Date of Survey
				Signature and Seal of Professional Surveyor:
				Certificate Number

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. <b>30-045-29305 (2A) &amp; 30-045-20456 (8)</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE FEE
2. Name of Operator <b>BP America Production Company Attn: Mary Corley</b>		6. State Oil & Gas Lease No.
3. Address of Operator <b>P.O. Box 3092 Houston, TX 77253</b>		7. Lease Name or Unit Agreement Name:  <b>McCulley LS</b> (Federal Lease NM-04208 BLM Notified on Form 3160-5)
4. Well Location  Unit Letter <u>E</u> (see C-102) 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 No.  <b>Nos. 2A &amp; 8</b>
10. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>GR</b>		9. Pool name or Wildcat <b>Aztec PC, Blanco MV &amp; Otero Chacra</b>
11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		
<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <u>Surface Commingle - Amended to Add Chacra</u> <input checked="" type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input 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 request permission to surface commingle production the Aztec Pictured Cliffs, Blanco Mesaverde & Otero Chacra Pools from our McCulley LS Wells No. 2A and 8. Surface commingling Aztec Pictured Cliffs production will consist of the McCulley LS Well 8; and Blanco Mesaverde and Otero Chacra production will be from the McCulley LS Well No. 2A. The production from each well will be metered prior to commingling then the commingled production will flow into through the separator where the liquids will be removed. The commingled gas will then be sent through compression prior to entering the sales meter. Please reference the attached schematics reflecting the Current Facilities Layout and the Proposed Surface Commingling Layout provided for your reference.

The working interest, royalty and overriding royalty interest owners in the subject wells are identical. 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 Mary Corley TITLE Sr. Regulatory Analyst DATE 04/27/2004  
Type or print name Mary Corley Telephone No. 281-366-4491  
(This space for State use)

APPROVED BY W. D. Jones TITLE CCD Engineer DATE 6/1/04  
Conditions of approval, if any