

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

RECD NOV 30 6
OIL CONS. DIV.

DIST. 3

WELL API NO.

Reference Below

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

Florance
(Federal Lease SF - 078194 BLM Notified on Form 3160-5)

8. Well No.
27S & 126

9. Pool name or Wildcat
Fruitland Coal & Dakota & Chacra

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

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

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

4. Well Location

Unit Letter L (see C-102s) feet from the South line and _____ feet from the West line

Section 26 Township 29N Range 09W 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Surface Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

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 recompilation.

BP America Production Company respectfully request authorization to surface commingle gas production from the Basin Fruitland Coal, Basin Dakota and Otero Chacra from our Florance 27S & Florance 126. Surface commingling Fruitland Coal production will consist of the Florance 27S API 30-045-33130 and DK & CH production will be from the Florance 126 API 30-045-25022. 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.

The working interest, royalty and overriding royalty interest owners in the subject wells are different therefore notification is required (sent certified return receipt 10/31/06) 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.

PL Permit pending

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 10/26/2006

Type or print name Cherry Hlava Telephone No. 281-366-4081

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE NOV 03 2006

Conditions of approval, if any:

B



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

October 30, 2006

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

Surface Commingling Notice
Florance 27S Fruitland Coal
Florance 126 Chacra & Dakota
Section 26, T29N, R09W
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Basin Fruitland coal, Chacra and Basin Dakota. Surface commingling Fruitland Coal production will be from the Florance 27S and Chacra & Basin Dakota production will be from the Florance 126. Both of these 'leases' are of the same base lease with different 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 notified by copy of this application on October 31, 2006, 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. Plats with lease boundaries showing all well and facility locations.
2. Site Facility Schematic Flow Diagram
3. Address listing Interest Owners Notified
4. Form C-107-B

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

cc OGD Aztec