

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

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

WELL API NO. Reference Below
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No. SF 047019B RCVD DEC 19 '07
7. Lease Name or Unit Agreement Name OIL CONS. DIV. GCU & GCU
8. Well Number DIST. 3 517 & 167E
9. OGRID Number 000778
10. Pool name or Wildcat Basin Dakota & Pinon Fruitland Sand & W. Kutz Picture Cliffs

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 [x] Other []

2. Name of Operator BP America Production Company Attn: Toya Colvin

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

4. Well Location Unit Letter H : (see C-102) feet from the NORTH line and feet from the EAST line Section 18 Township 28N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application [] or Closure []
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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 []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

OTHER SURFACE COMMINGLE [x]

OTHER: []

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BP America Production Company respectfully request authorization to surface commingle gas production from the Basin Dakota coming from Gallegos Canyon Unit 167E API 30-045-24862 & the production from W. Kutz Picture Cliffs & N Pinon Fruitland Sand coming from our Gallegos Canyon Unit 517 API 30-045-28156. The production from each well will be separated prior to the allocation meter. Then the production from each well will be metered prior to being commingled. The commingled production will then be sent through compression prior to entering the sales meter.

DAC-519AZ

The difference between what is measured prior to commingling and 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.

The working interest, royalty and overriding royalty interest owners in the subject wells are different however approval of Order R-12724 on 3-6-2007 allows surface commingling & sharing compression without notification. The proposed commingling of production is to reduce operating expenses between the wells and will result in increased economic life of the wells.

PC-1193

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE Toya Colvin TITLE Regulatory Analyst DATE 12/11/07

Type or print name Toya Colvin E-mail address: Toya.Colvin@bp.com Telephone No. 281-366-7148

For State Use Only

APPROVED BY: [Signature] TITLE Engineer DATE 12/18/07
Conditions of Approval (if any):