

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or to re-enter an
Abandoned well. Use Form 3160-3 (APD) for such proposals.*

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.

NMSF - 078902

If Indian, Allottee or tribe Name

6. If Unit or CA/Agreement, Name and/or No.

Gallegos Canyon Unit 178

7. Well Name and No.

Gallegos Canyon Unit 178

8. API Well No.

30-045-06919

9. Field and Pool, or Exploratory Area

Basin Fruitland Coal

10. County or Parish, State

San Juan, NM

1. Type of Well



Oil Well



Gas Well



Other

2. Name of Operator

BP America Production Company

3a. Address

P.O. Box 3092 Houston, TX 77253-3092

3b. Phone No. (include area code)

281-366-4081

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 4 T27N R12W 990' FNL & 990' FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION



Notice of Intent



Subsequent Report



Final Abandonment Notice



Acidize



Alter Casing



Casing Repair



Change Plans



Convert to Injection



Deepen



Fracture Treat



New Construction



Plug and Abandon



Plug Back

TYPE OF ACTION



Production (Start/Resume)



Reclamation



Recomplete



Water Disposal



Water shut-Off



Well Integrity



Other Surface

Commingle

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

BP America Production Company requests permission to surface commingle the Gallegos Canyon Unit 178 Basin Fruitland Coal (71629) production with the Gallegos Canyon Unit 62 Kutz Pictured Cliffs, West (79680) production.

Please see the attached Form C-107-B, Flow Diagram Schematic, C-102 & 9 Section Plat. The Working Interest and Royalty Interest owners are currently being notified by certified mail, return receipt requested. Also attached is a list of all wk Int. & Royalty Int. owners.
L-9-16-03

14. I hereby certify that the foregoing is true and correct
Name (Printed/typed)

Cherry Hlava

Title **Regulatory Analyst**

Signature

Cherry Hlava

Date **09/15/2003**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Ami Lovel

Title

Petr. Eng.

Date

10/28/03

Conditions of approval, if any, are attached. Approval of this notice does not warrant or Certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

PC 1100

NMOCB



"Hlava, Cherry L"
<HlavaCL@bp.com>

10/24/2003 01:11 PM

To: "Jim Lovato (E-mail 2)" <jim_lovato@blm.gov>
cc:
Subject: Surface Commingling GCU 178 & GCU 62

Jim,

Per our conversation this morning; below is how the combined production is to be allocated.

Production is proposed to be allocated based on the subtraction method. Gas from the Gallegos Canyon Unit 178 is being measured separately. That production will be subtracted from the total production of the two wells combined at the custody transfer meter. The balance will be attributed to the Gallegos Canyon Unit 62.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

Cherry Hlava
BP America Production Company
281-366-4081

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 77253-3092
APPLICATION TYPE: Surface Commingling

☒ 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 *BLM was notified; Not the State Land office*

(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
Basin Fruitland Coal (71629)	N/A	N/A		N/A	N/A
Kutz Pictured Cliffs, West (79680)	.624 / 1054	N/A		N/A	289 MCFD

- (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.
(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

N/A

- (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

N/A

- (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: 9/15/2003

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

E-MAIL ADDRESS: HLAVACL@BL.COM

Site Facility Schematic Flow Diagram

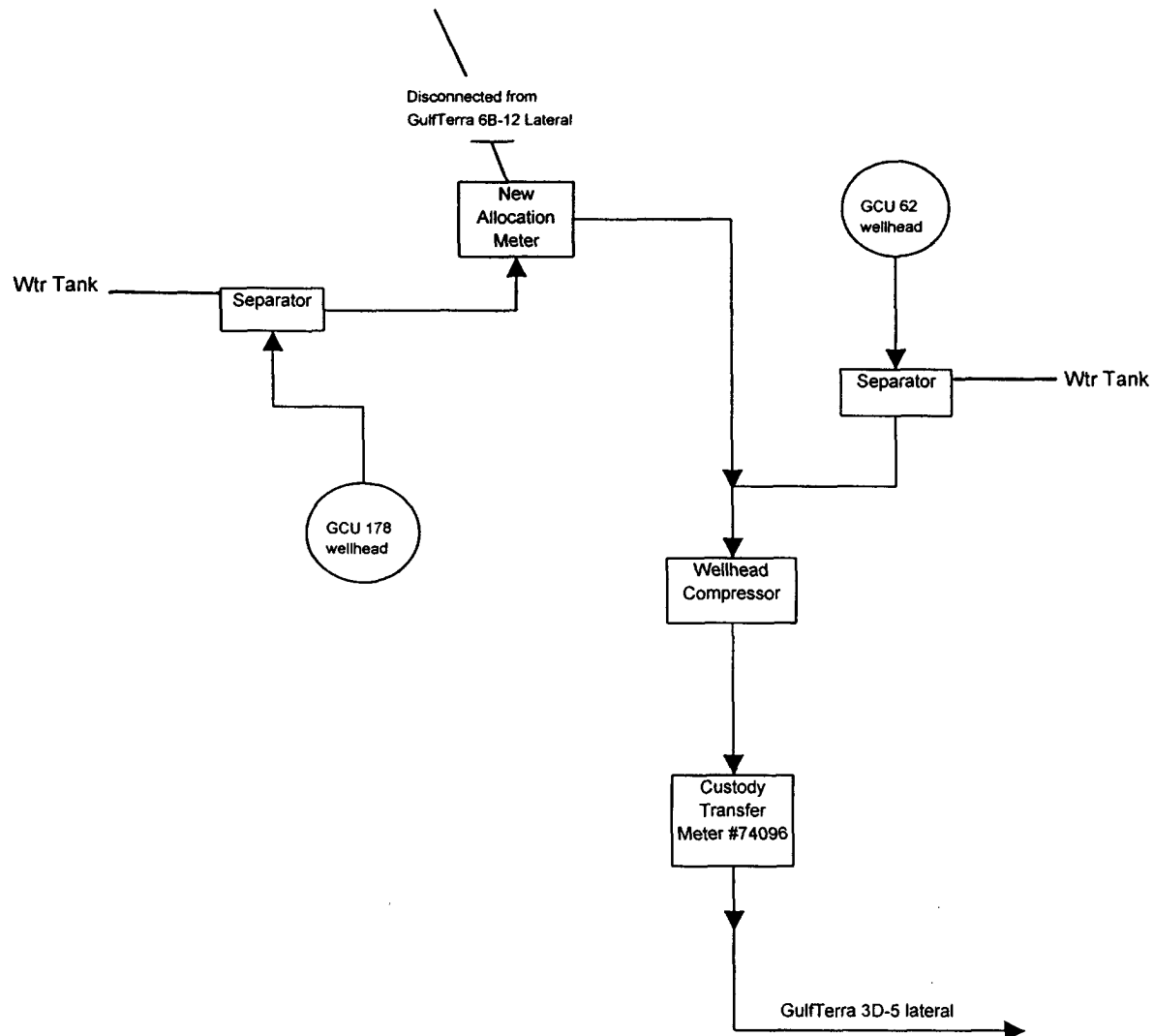
GCU 178 (Fruitland Coal) API 30-045-06919

GCU 62 (Pictured Cliffs) API 30-045-06920

NW Sec. 4, T27N-R12W

San Juan Co., NM

NO OIL PRODUCTION



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

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

¹ API Number 30-045-06920	² Pool Code 79680	³ Pool Name Kutz Pictured Cliffs, West
⁴ Property Code 000570	⁵ Property Name Gallegos Canyon Unit	
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	
		⁶ Well Number 62
		⁹ Elevation 5830'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Unit C	4	27N	12W		990'	North	1650'	West	San Juan

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 160.24 Ac.		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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Cherry Hlava</u> Printed Name Cherry Hlava Title Regulatory Analyst Date 09/12/2003			
	¹⁸ 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 Signature and Seal of Professional Surveyor:			
	ORIGINAL ON FILE Certificate Number			

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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 30-045-06919	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 000570	⁵ Property Name Gallegos Canyon Unit	
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	
		⁶ Well Number 178
		⁹ Elevation 5832' 6L

¹⁰ Surface Location

UL or lot no. Unit D	Section 4	Township 27N	Range 12W	Lot Idn	Feet from the 990'	North/South line North	Feet from the 990'	East/West line West	County San Juan
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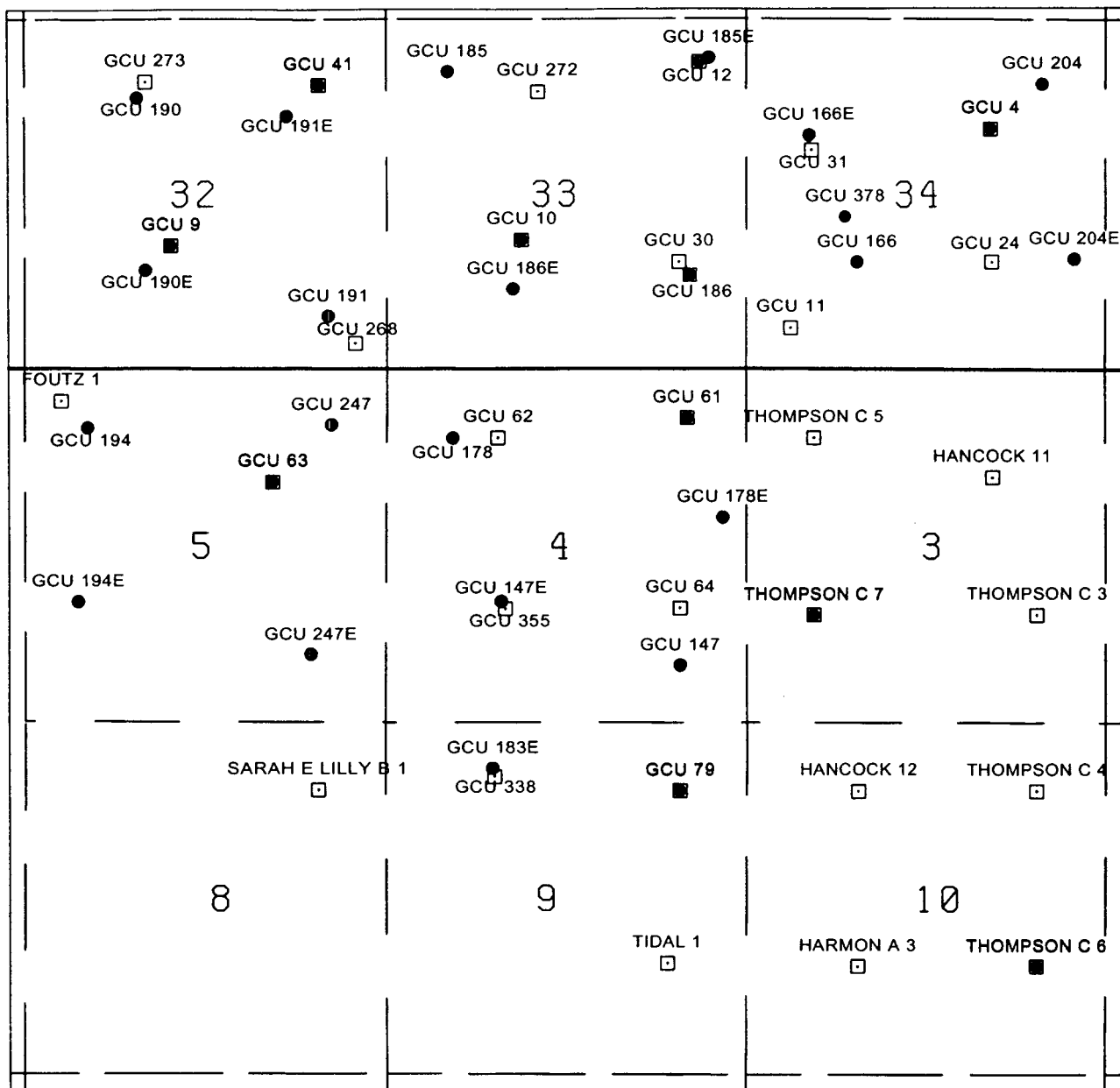
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320.48 Ac.	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ 				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> Cherry Hlava Signature Printed Name Cherry Hlava Title Regulatory Analyst Date 06/20/2003



- Pictured Cliffs
- Fruitland Coal
- Dakota

BP America Production Co. Houston, TX			
<i>T27N R12W Sec. 4</i>			
SCALE	DRAWN M. J. RITZ	DATE 11-SEP-2003	
SHEET NO.	SHEET NO.	SHEET NO.	SHEET NO.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

RECEIVED

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

APR 16 AM 11:46
070 Farmington, NM

COMMINGLING ORDER PC-1100

BP America, Inc.
501 WestLake Park Blvd.
Houston, Texas 77079-3092

Attention: Ms. Cherry Hlava

The above-named company is hereby authorized to commingle the following pools and acreage within Section 4, Township 27 North, Range 12 West, NMPM, San Juan County, New Mexico.

Gallegos Canyon Unit No. 178
Basin-Fruitland Coal (Gas 71629) Pool

API No. 30-045-06919
N/2 Dedication

Gallegos Canyon Unit No. 62
West Kutz-Pictured Cliffs (Gas 79680) Pool

API No. 30-045-06920
NW/4 Dedication

Due to diverse revenue interests in these two wells, gas allocation meters shall be installed on both wells prior to the custody transfer meter and used to calculate individual well sales and production. Compressor fuel gas usage shall be allocated according to the calculated well production rates. Water and Oil production shall not be commingled.

REMARKS: The commingled natural gas production shall be delivered to a gas sales meter located on the lease.

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

MINERAL RESOURCES	
AFM I	<i>[Signature]</i>
NATV AM MIN COORD.	
SOLID MIN TEAM	
PETRO MONT. LCM	2 <i>[Signature]</i>
O & G INSPECT TEAM	
ALL TEAM LEADERS	
LAND RESOURCES	
ENVIRONMENT	
FILES	