

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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]

- [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 _____
- [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

2004 OCT 1 AM 10 57

[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.

<u>Mary Corley</u> Print or Type Name	<u><i>Mary Corley</i></u> Signature	<u>Sr. Regulatory Analyst</u> Title	<u>09/30/2004</u> Date
		<u>corleym1@bp.com</u> e-mail Address	

Jones, William V

From: Jones, William V
Sent: Friday, October 01, 2004 1:28 PM
To: Mary Corley (E-mail)
Cc: Ezeanyim, Richard
Subject: Pool commingles in three wells

Hello Mary:

I just received the three C-103 forms as applications to surface commingle - all in identically owned situations.

Our latest rules say that a lawyer or land manager must sign the statement that ownership is identical.

If you want, just have the land manager sign the second page (your write-up) and fax it back to me. You did not send a surface schematic, but I don't need one in these cases, unless the CDP's are away from the leases.

Regards,

Will

William V. Jones

Engineering Bureau

Oil Conservation Division

Santa Fe

**BP America Production Company**

San Juan Performance Unit
601 Westlake Park Boulevard
Houston, Texas 77079
Room 18.104

Steve Reinert
Land Negotiator
Phone: 281.366.5852
Fax: 281.366.0700

October 5, 2004

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

Surface Commingling Application
Florance Gas Com K Well No. 5A
Section 22, T30N, R09W
San Juan County, New Mexico

Please be advised that the working interest, royalty and overriding royalty interest owners are identical for the Fruitland and Mesaverde formations in the subject well.

A handwritten signature in black ink, appearing to read "Steve Reinert", written in a cursive style.

Sincerely, Steve Reinert
Land Negotiator

**Florance Gas Com K 5A
Surface Commingle
Blanco Mesaverde & Basin Fruitland Coal**

The subject well was dually completed in the Mesaverde and Fruitland Coal in 1975, however, the Fruitland Coal has been shut-in due to the drilling of Florance Gas Com A #3 in December 1990. At the time of the completion of the Florance Gas Com A #3 field rules for the Fruitland Coal formation did not allow for two wells on the same 320 acre unit. Field rules have since been amended to allow additional wells in the spacing unit. Prior to going off production the well was producing intermittently 12 to 79 MCFD from the FC, the zone was subsequently shut in and the well has since produced from the MV only.

The working interest, royalty and overriding royalty interest owners in both the Mesaverde and Fruitland Coal formations are identical.

The proposed surface commingling of production is to reduce operating expenses between the zones, would allow for the restoration of production from the Fruitland Coal and will result in increased economic life of the well.

BP intends to utilize the existing separator, oil tank, water tank, compressor, and sales meter for the combined production. We will add check valves upstream of where the production is combined.

BP further proposed that production be allocated between the zones based on the subtraction method using the projected future decline for production from the Mesaverde. That production shall serve as a base for production subtracted from the total production for the commingled production. The balance of the production will be attributed to the Fruitland Coal. Attached is the future production decline estimates for the Mesaverde.

BLM has also been notified of this proposal by copy of BLM Form 3160-5.

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 30-045-21791	² Pool Code	³ Pool Name Blanco Mesaverde & Basin Fruitland Coal
⁴ Property Code 000538	⁵ Property Name Florance Gas Com K	
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁶ Well Number 5A
		⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet from	East/West	County
Unit C	22	30N	09W		860	North	1510	West	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet	East/West	County
¹² Dedicated Acres 320		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

	¹⁷ OPERATOR CERTIFICATION		
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.		
	Signature Mary Corley		
Printed Name Sr. Regulatory Analyst			
Title			
Date 09/30/2004			
Date			
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.			
4/16/1975			
Date of Survey			
Signature and Seal of Professional Surveyor:			
James P Leese			
Certificate Number			

Florance Gas Com K 5A Future Production Decline Estimate Mesaverde Daily Rates

$\ln(Qf/Qi) = -dt$
 $Qf = 254$
 $Qi = 262$
 $rate = 254$
 $time = 7$
 $dt = -0.031010237$
 $decline = -1.12522859$

Month	Gas Volume
Jan-2003	280
Feb-2003	266
Mar-2003	263
Apr-2003	236
May-2003	267
Jun-2003	262
Jul-2003	281
Aug-2003	277
Sep-2003	263
Oct-2003	273
Nov-2003	311
Dec-2003	291
Jan-2004	254
Feb-2004	185
Mar-2004	197
Apr-2004	177
May-2004	172
Jun-2004	171
Jul-2004	170
Aug-2004	169
Sep-2004	168
Oct-2004	167
Nov-2004	166
Dec-2004	164
Jan-2005	163
Feb-2005	162
Mar-2005	161
Apr-2005	160
May-2005	159
Jun-2005	158
Jul-2005	157
Aug-2005	155
Sep-2005	154
Oct-2005	153
Nov-2005	152
Dec-2005	151

Month	Gas Volume
Jan-2006	150
Feb-2006	149
Mar-2006	148
Apr-2006	146
May-2006	145
Jun-2006	144
Jul-2006	143
Aug-2006	142
Sep-2006	141
Oct-2006	140
Nov-2006	139
Dec-2006	137
Jan-2007	136
Feb-2007	135
Mar-2007	134
Apr-2007	133
May-2007	132
Jun-2007	131
Jul-2007	130
Aug-2007	128
Sep-2007	127
Oct-2007	126
Nov-2007	125
Dec-2007	124
Jan-2008	123
Feb-2008	122
Mar-2008	121
Apr-2008	119
May-2008	118
Jun-2008	117
Jul-2008	117
Aug-2008	116
Sep-2008	115
Oct-2008	114
Nov-2008	113
Dec-2008	112
Jan-2009	110

Month	Gas Volume
Feb-2009	109
Mar-2009	108
Apr-2009	107
May-2009	106
Jun-2009	105
Jul-2009	104
Aug-2009	103
Sep-2009	101
Oct-2009	100
Nov-2009	99
Dec-2009	98
Jan-2010	97
Feb-2010	96
Mar-2010	95
Apr-2010	94
May-2010	92
Jun-2010	91
Jul-2010	90
Aug-2010	89
Sep-2010	88
Oct-2010	87
Nov-2010	86
Dec-2010	85
Jan-2011	83
Feb-2011	82
Mar-2011	81
Apr-2011	80
May-2011	79
Jun-2011	78
Jul-2011	77
Aug-2011	76
Sep-2011	74
Oct-2011	73
Nov-2011	72
Dec-2011	71
Jan-2012	70

**Florance Gas Com K 5A
Future Production Decline Estimate
Mesaverde Daily Rates**

Month	Gas Volume
Feb-2012	69
Mar-2012	68
Apr-2012	67
May-2012	65
Jun-2012	64
Jul-2012	63
Aug-2012	62
Sep-2012	61
Oct-2012	60
Nov-2012	59
Dec-2012	58
Jan-2013	56
Feb-2013	55
Mar-2013	54
Apr-2013	53
May-2013	52
Jun-2013	51
Jul-2013	50
Aug-2013	49
Sep-2013	47
Oct-2013	46
Nov-2013	45
Dec-2013	44
Jan-2014	43
Feb-2014	42
Mar-2014	41
Apr-2014	40
May-2014	38
Jun-2014	37
Jul-2014	36
Aug-2014	35
Sep-2014	34
Oct-2014	33
Nov-2014	32
Dec-2014	31
Jan-2015	29

Month	Gas Volume
Feb-2015	28
Mar-2015	27
Apr-2015	26
May-2015	25
Jun-2015	24
Jul-2015	23
Aug-2015	22
Sep-2015	20
Oct-2015	19
Nov-2015	18
Dec-2015	17
Jan-2016	16
Feb-2016	15
Mar-2016	14
Apr-2016	13
May-2016	11
Jun-2016	10
Jul-2016	9
Aug-2016	8
Sep-2016	7
Oct-2016	6
Nov-2016	5
Dec-2016	4
Jan-2017	2
Feb-2017	1
Mar-2017	0
Apr-2017	0
May-2017	0
Jun-2017	0
Jul-2017	0
Aug-2017	0
Sep-2017	0
Oct-2017	0
Nov-2017	0
Dec-2017	0
Jan-2018	0