

12-9-04 DATE IN	12/9/04 SUSPENSE	Jones ENGINEER	12-9-04 LOGGED IN	PC TYPE	PSEM04 APP NO.
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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



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

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

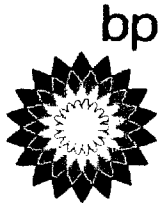
[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mary Corley
 Print or Type Name

Mary Corley
 Signature

Sr. Regulatory Analyst 12/07/2004
 Title Date
corleym@bp.com
 e-mail Address



San Juan South Asset

Mary Corley
WL1-19.171
281-366-4491 (direct)
281-366-0700 (FAX)
corleym1@bp.com

P. O. Box 3092
Houston, Texas 77253-3092
501 Westlake Park Boulevard
Houston, Texas 77079

December 7, 2004

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

Surface Commingling Notice
Sandoval Gas Com A Well Nos. 1A & 1B
Sandoval Gas Com B Well No. 1
Section 35, T30N, R09W
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Blanco Mesaverde and Blanco Pictured Cliffs Pools. Surface commingling Blanco Mesaverde production will be from the Sandoval Gas Com A Well Nos. 1A & 1B and Blanco Pictured Cliffs production will be from the Sandoval Gas Com B Well No. 1. Both of these 'leases' are of the same base lease with different royalty ownership between formations.

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.

All interest owners are being notified by being furnished a copy of this application on December 7, 2004, 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. A Plat with lease boundaries showing all well and facility locations.
2. Site Facility Schematic Flow Diagram
3. Address listing of all Interest Owners Notified
4. Form C-107-B

Should you have any questions concerning this matter please contact me at 281-366-4491.

Yours very truly

A handwritten signature in cursive script that reads 'Mary Corley'.
Mary Corley
Sr. Regulatory Analyst

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 Commingling)

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

(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
Blanco Pictured Cliffs	1247 BTU	1247 BTU		1540	1540
Blanco Mesaverde (#1A)	1265 BTU	1265 BTU		5023	5023
Blanco Mesaverde (#1B)	1246 BTU	1246 BTU		6016	6016

- (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

- (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: Mary Corley TITLE: Sr. Regulatory Analyst DATE: 12/07/2004

TYPE OR PRINT NAME Mary Corley TELEPHONE NO.: 281-391-8912

E-MAIL ADDRESS: corleyml@bp.com

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

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.)		WELL API NO. Reference Below
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 BP America Production Company Attn: Mary Corley		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 3092 Houston, TX 77253		7. Lease Name or Unit Agreement Name: Sandoval Gas Com A & B (Federal Lease SF - 078139 BLM Notified on Form 3160-5)
4. Well Location Unit Letter C & D (see C-102) feet from the North line and _____ feet from the West line Section 35 Township 30N Range 09W NMPM San Juan County		8. Well No. Nos. 1A, 1B & 1
10. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. Pool name or Wildcat Blanco MV & Blanco PC

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: 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: Surface Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: 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 Blanco Mesaverde and Blanco Pictured Pools from our Sandoval Gas Com A Nos. 1A & 1B Sandoval Gas Com B No. 1. Surface commingling Blanco Mesaverde production will consist of the Sandoval Gas Com A Nos. 1A API 30-045-22294 & 1B API 30-045-30187 and Blanco Pictured Cliffs production will be from the Sandoval Gas Com B No. 1 API 30-045-09049. 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 Proposed Surface Commingling Layout provided for your reference.

All interest owners are being notified by being furnished a copy of this application on December 7, 2004, via certified mail return receipt requested. A Listing of the ownership notification is attached for your reference. 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 12/07/2004
Type or print name Mary Corley Telephone No. 281-366-4491
(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____
Conditions of approval, if any:

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

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	² Pool Code 72319 & 72359	³ Pool Name Blanco Mesaverde & Blanco Pictured Cliffs
⁴ Property Code 001021 & 001022	⁵ Property Name Sandoval GC A & Sandoval GC B	⁶ Well Number 1A, 1B & 1
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation

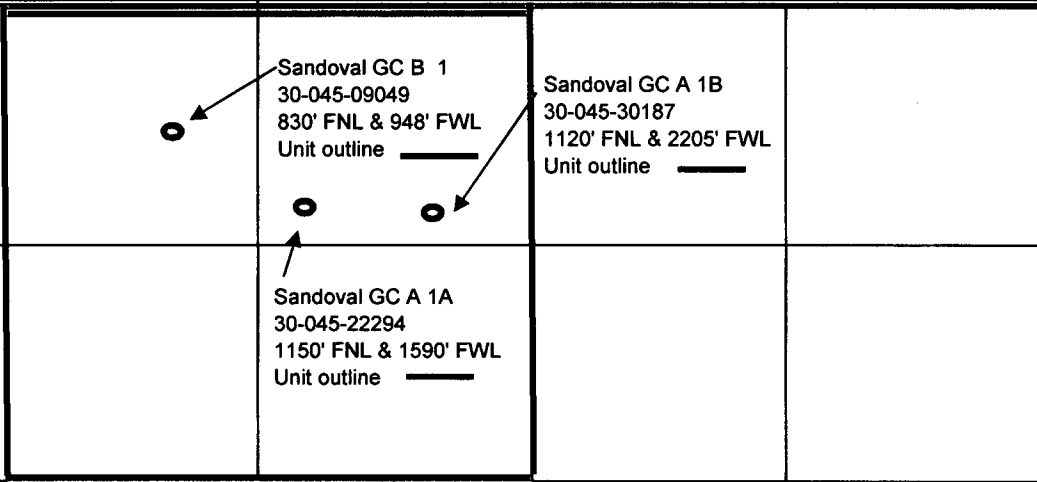
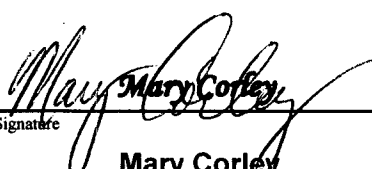
¹⁰ Surface Location

UL or lot no. Units C &	Section 35	Township 30N	Range 09W	Lot Idn	Feet from	North/South North	Feet from	East/West West	County San Juan
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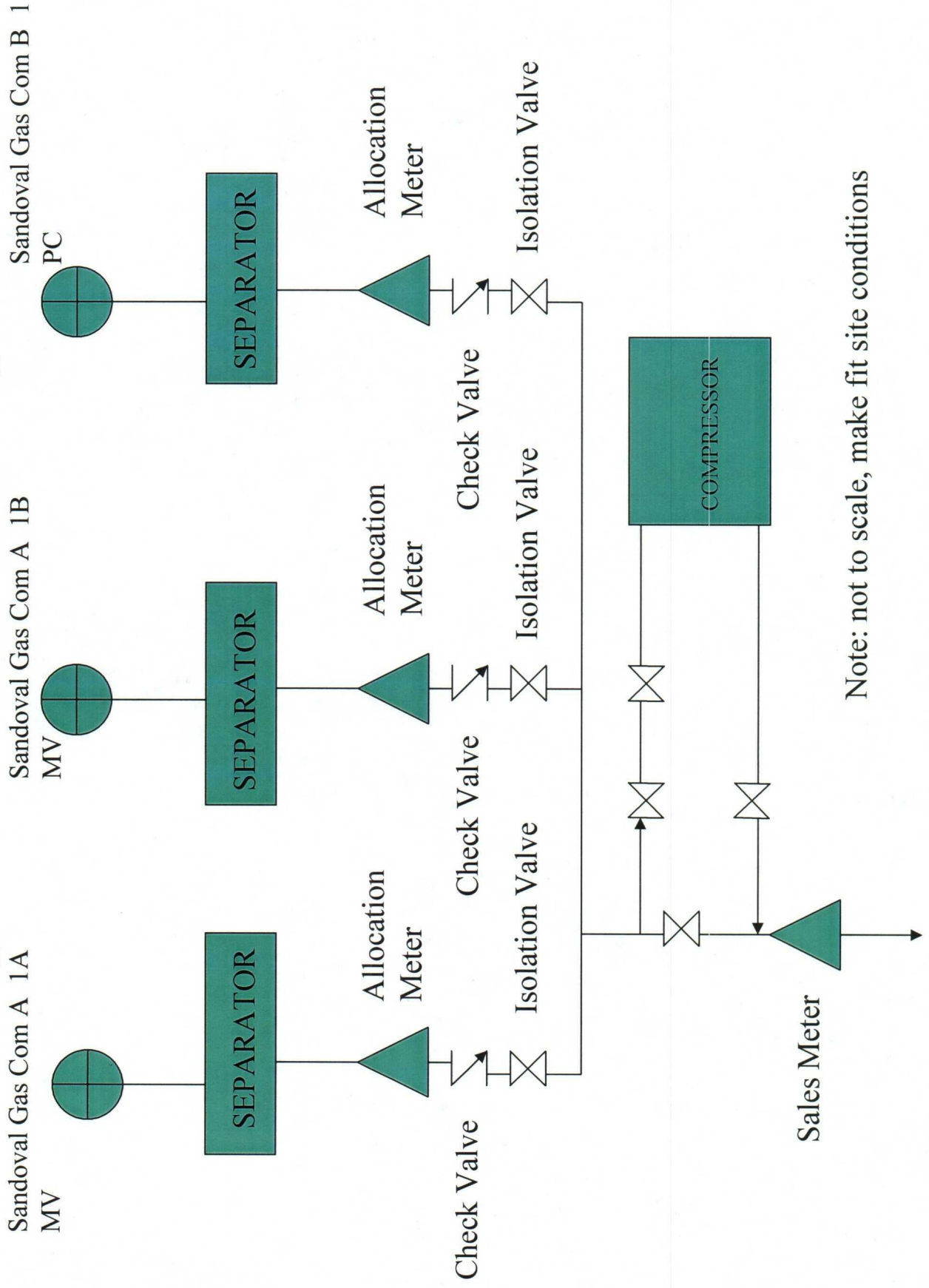
¹¹ Bottom Hole Location If Different From Surface

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

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p> Signature</p> <p>Mary Corley Printed Name</p> <p>Sr. Regulatory Analyst Title</p> <p>12/07/2004 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>on file</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

Proposed Shared Compression



ULIBARRI, RONALD ERNEST
7352 DONET DR NE
RIO RANCHO, NM, 87124-8464

ANDREW, JERRY J
408 LONGWOODS LANE
HOUSTON, TX, 77024-5617

BEAMON, R E, III
2603 AUGUSTA STE 1050
HOUSTON, TX, 77057-5640

BP AMERICA PRODUCTION COMPANY
LEASE RENTALS
PO BOX 22047
TULSA, OK, 74121-2047

BURLINGTON RESOURCES OIL AND GAS CO
PO BOX 840656
DALLAS, TX, 75284-0656

BYERS, CHARLENE S
579 S POPLAR WAY
DENVER, CO, 80224-1556

CONOCOPHILLIPS COMPANY
22295 NETWORK PLACE
CHICAGO, IL, 60673-1222

DOMINION OKLAHOMA TEXAS EXPLORATION
AND PRODUCTION INC
ATTN: REVENUE LOCKBOX
PO BOX 95294
NEW ORLEANS, LA, 70195

ELLIOTT HALL COMPANY
PO BOX 1231
OGDEN, UT, 84402-1231

ELLIOTT INDUSTRIES
PO BOX 3300
ROSWELL, NM, 88202

GILMER, CLAUDIA MARCIA LUNDELL
101 OAK MEADOWS DR
GEORGETOWN, TX, 78628

GONZALES, AMADOR
212 HERITAGE LN
AZTEC, NM, 87410-1590

GONZALES, LEONARD
6785 HWY 64
BLOOMFIELD, NM, 87413-9564

HEARD, DANIEL T
314 VALENTIAN DR
GALLUP, NM, 87301-4874

JAQUEZ, DONALD KENNETH
AKA DONALD KENNETH YOUNG
PO BOX 583
BLANCO, NM, 87412-0583

JAQUEZ, ERIC J
3605 N BUENA VISTA AVEN.
FARMINGTON, NM, 87401

JAQUEZ, JASON P
PO BOX 832
FARMINGTON, NM, 87499

JAQUEZ, WILLIAM A
U/W OF WILLIE LOUIS JAQUEZ
DONALD KENNETH YOUNG TRUSTEE
3324 CRESCENT AVE
FARMINGTON, NM, 87401

JOHNSTON, BETTY T, MARITAL TRUST
BETTY T JOHNSTON LYLE E CARBAUGH
AND PAUL M HARDWICK CO TRUSTEES
245 COMMERCE GREEN BLVD, STE 280
SUGAR LAND, TX, 77478

JOHNSTON, EULA MAY, TST
C/O NATIONSBNK NA DBA BANK AMER NA
TRUST DEPT #01 0066100
P O DRAWER 840738
DALLAS, TX, 75284-0738

JOHNSTON, V A, FAMILY TRUST
DAVID A PREWITT AND
MICHAEL A CHESSER CO-TRUSTEES
PO BOX 825
RALLS, TX, 79357-0825
LOS ANGELES, CA, 90024

LANKFORD, GLORIA WYNNE
3501 ELM CREEK CT
FORT WORTH, TX, 76109-3110

LINDSEY, LINDA JEANNE LUNDELL
PO BOX 631565
NACOGDOCHES, TX, 75963

LUNDELL, ROBERT WALTER
2450 FONDREN #304
HOUSTON, TX, 77063-2306

MARTINEZ, ANITA D
PO BOX 326
BLANCO, NM, 87412-0326

MASON, ROSE MARIE
706 1/2 NORTH DUSTIN AVE
FARMINGTON, NM, 87401-6102

MINERALS MANAGEMENT SERVICE
ROYALTY MANAGEMENT PROGRAM
PO BOX 5810 TA
DENVER, CO, 80217-5810

OSPREY RESOURCES INC
1010 LAMAR STE 1570
HOUSTON, TX, 77002-6315

PACHECO, DIANA
116 TWILIGHT DR
FARMINGTON, NM, 87401-9238

PETERSEN, EDWINA, 1980 TRUST
EDWINA PETERSEN TRUSTEE
704 REFUGIO RD
SANTA YNEZ, CA, 93460-9701

PURE RESOURCES LP
ATTN OBO JOINT VENTURE ACCTG
500 W ILLINOIS ST
MIDLAND, TX, 79701

ROBERTS, BRUCE L
PO BOX 16143
NEWPORT BEACH, CA, 92659-6143
WYLIE, TX, 75098-5129

ROGERS GIBBARD TRUST
ORVILLE C ROGERS, SUSAN EVELAND AND
ELAINE GIBBARD ALLMAN TRUSTEES
3630 RIVER OAKS CT
TYLER, TX, 75707-1658

SANDOVAL, JOE J
1104 W MAPLE
BLOOMFIELD, NM, 87413-6102

SANDOVAL, VICTOR, ESTATE
BARBARA GONZALES, DAVID SANDOVAL
TERESA R KAMPLAIN CO-PERSONAL REPS
1014 KATHY LYNN
BLOOMFIELD, NM, 87413-5216

SMITH, TAB RILEY
PO BOX 2267
BELLAIRE, TX, 77402

TRELOAR, JO ANNE
4951 PARADISE RD
SANTA BARBARA, CA, 93105-9708

ULIBARRI, ARTHUR JOSEPH
2005 N MESA VERDE
FARMINGTON, NM, 87401-4243
DALLAS, TX, 75284-0738

ULIBARRI, CEDELIA
RD 4599-654
BLANCO, NM, 87412-9708

ULIBARRI, LUCILLE
RD 4599 BOX 652
BLANCO, NM, 87412