

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** 5 2006

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, NM.

**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 \_\_\_\_\_

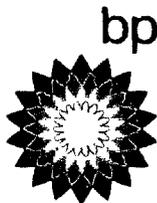
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A]  Working, Royalty or Overriding Royalty Interest Owners
  - [B]  Offset Operators, Leaseholders or Surface Owner
  - [C]  Application is One Which Requires Published Legal Notice
  - [D]  Notification and/or Concurrent 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.**

<u>Cherry Hlava</u> Print or Type Name	<u><i>Cherry Hlava</i></u> Signature	<u>Regulatory Analyst</u> Title	<u>08/28/2006</u> Date
		<u>hlavacl@bp.com</u> e-mail Address	



San Juan South Asset

Cherry Hlava  
WL1-19.132  
281-366-4081 (direct)  
281-366-0700 (FAX)  
[Hlavacl@bp.com](mailto:Hlavacl@bp.com)

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

Aug. 31, 2006

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

**Surface Commingling Notice**

Elliott Gas Com K 1 Blanco Pictured Cliffs  
Elliott Gas Com H 1A Blanco Mesaverde  
Section 26, T30N, R09W  
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Blanco Pictured Cliffs & Blanco Mesaverde. Surface commingling Pictured Cliffs production will be from the Elliott GC K #1 and the Blanco Mesaverde will be from the Elliott GC H #1A. Both of these 'leases' are of the same base lease with different Working Interest ownership percentages between formations.

The production from each well will be separated & metered prior to commingling and 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, 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. Plat with lease boundaries marked
2. Site Facility Schematic Flow Diagram
3. Address listing Interest Owners Notified
4. Form C-107-B
5. Form C-103

Should you have any questions concerning this matter please contact me at 281-366-4081.

Sincerely,

Cherry Hlava  
Regulatory Analyst

CC: NMOCD  
1000 Rio Brozos Rd  
Aztec, NM 87410

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

Form C-103  
 Revised March 25, 1999

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

WELL API NO. <b>Reference Below</b>
5. Indicate Type of Lease STATE                      FEE
6. State Oil & Gas Lease No.

**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

7. Lease Name or Unit Agreement Name:  
  
**Elliott GC K & Elliott GC H**  
 (Federal Lease NMSF - SF - 078139 BLM  
 Notified on Form 3160-5)

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

8. Well No.  
**Nos. 1 & 1A**

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

9. Pool name or Wildcat  
**Blanco PC & Blanco Mesaverde**

4. Well Location  
  
 Unit Letter   O   (see C-102) feet from the   South   line and \_\_\_\_\_ feet from the   East   line  
  
 Section   26   Township   30N   Range   9W   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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <b>Surface Commingle</b> <input checked="" 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 recompilation.  
**BP America Production Company respectfully requests authorization to surface commingle gas production from the Elliott GC K #1 reservoir Blanco Pictured Cliffs (30-045-09109) and the Elliott GC H 1A reservoir Blanco Mesaverde (30-045-22681). The production from each well will be separated & metered prior to commingling and the liquids 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 by certified return receipt 9/01/06) 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.

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 09/01/2006  
 Type or print name Cherry Hlava Telephone No. 281-366-4081  
 (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

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

<sup>1</sup> API Number <b>See Below</b>	<sup>2</sup> Pool Code <b>72359 &amp; 72319</b>	<sup>3</sup> Pool Name <b>Blanco Pictured Cliffs &amp; Blanco Mesaverde</b>
<sup>4</sup> Property Code <b>449 &amp; 448</b>	<sup>5</sup> Property Name <b>Elliott Gas Com K &amp; Elliott Gas Com H</b>	
<sup>7</sup> OGRID No. <b>000778</b>	<sup>8</sup> Operator Name <b>BP America Production Company</b>	<sup>6</sup> Well Number <b>#1 &amp; #1A</b>
		<sup>9</sup> Elevation <b>5773</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet from	East/West	County
<b>O</b>	<b>26</b>	<b>30N</b>	<b>09W</b>			<b>South</b>		<b>East</b>	<b>San Juan</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

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

<sup>12</sup> Dedicated Acres <b>160 &amp; 320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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>Engergen Resources Federal 26 #1 30-045-28121 900' N &amp; 1480' E Basin FC</p>		<p>See attached plat <i>Elliott H #1</i> / <i>30-045-20297</i></p> <p>Elliott GC H #1 Blanco MV 30-045-09223</p>	<p><sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Cherry Hlava</i> Signature <b>Cherry Hlava</b> Printed Name <b>Regulatory Analyst</b> Title <b>9/1/2006</b> Date</p>
<p>Federal 30-9-26 #1S 30-045-33497 Engergen <i>F. Coal</i></p>		<p>Elliott GC H 1A 30-045-22681 1020' FSL &amp; 1590' FEL Blanco MV Unit outline Red</p>	<p><sup>18</sup> SURVEYOR CERTIFICATION <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><b>on file</b> Date of Survey Signature and Seal of Professional Surveyor:</p>
<p>Elliott GC K #1 30-045-09109 1190' FSL &amp; 1675' FEL Blanco PC Unit Outline Blue</p>		<p>1400'</p>	<p>Certificate Number</p>

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
111 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
1040 South Pacheco, Santa Fe, NM 87505

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

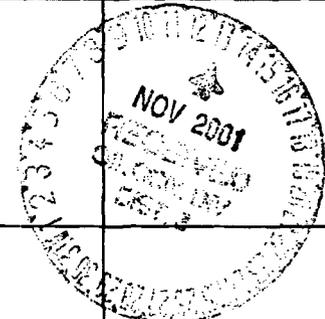
<sup>1</sup> API Number 30-045-30572		<sup>2</sup> Pool Code 71599 & 72319		<sup>3</sup> Pool Name <del>Basin Dakota</del> & Blanco Mesaverde	
<sup>4</sup> Property Code 000448		<sup>5</sup> Property Name Elliott Gas Com H			<sup>6</sup> Well Number 1A / B
<sup>7</sup> OGRID No. 000778		<sup>8</sup> Operator Name Amoco Production Company			<sup>9</sup> Elevation 5872'

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet from	East/West	County
Unit H	26	30N	09W		2200'	North	980'	East	San Juan

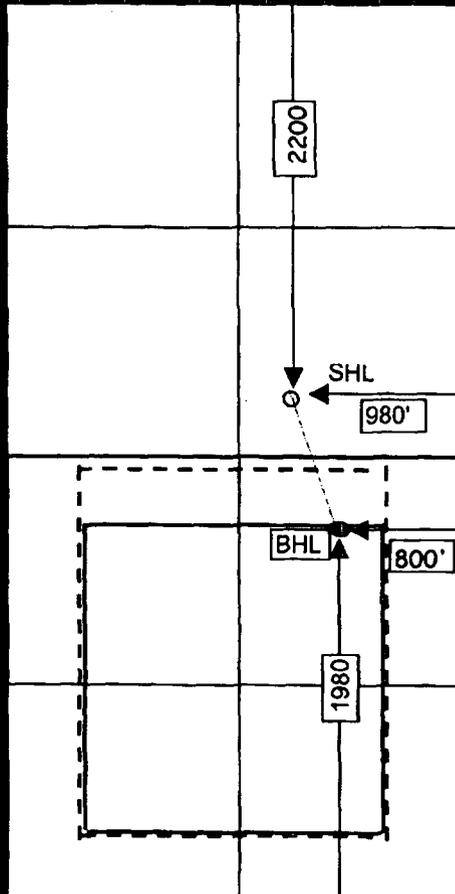
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet	East/West	County
Unit I	26	30N	09W		1980'	South	800'	East	San Juan

<sup>12</sup> Dedicated Acres 315.32	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



Mesaverde - - -  
Dakota - - -



<sup>17</sup> OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Mary Corley*  
Signature  
Mary Corley  
Printed Name  
Sr. Regulatory Analyst  
Title  
11/07/2001  
Date

<sup>18</sup> 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.

1/5/2001  
Date of Survey  
Signature and Seal of Professional Surveyor:  
  
Gary D Vann 7016  
Certificate Number

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACERAGE DEDICATION PLAT**

30-045-20297

All distances must be from the outer boundaries of the Section

Operator <b>PAN AMERICAN PETROLEUM CORPORATION</b>		Lease <b>ELLIOTT GAS COM "T"</b>			Well No. <b>1</b>
Unit Letter <b>B</b>	Section <b>26</b>	Township <b>30 NORTH</b>	Range <b>9 WEST</b>	County <b>SAN JUAN</b>	
Actual Footage Location of Well: <b>790</b> feet from the <b>NORTH</b> line and <b>1615</b> feet from the <b>EAST</b> line					
Ground Level Elev. <b>REPORT LATER</b>	Producing Formation <b>PICTURED CLIFFS</b>		Pool <b>BLANCO PICTURED CLIFFS</b>	Dedicated Acreage: <b>160</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?  
  
( ) Yes ( ) No If answer is "yes," type of consolidation .....

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.) .....

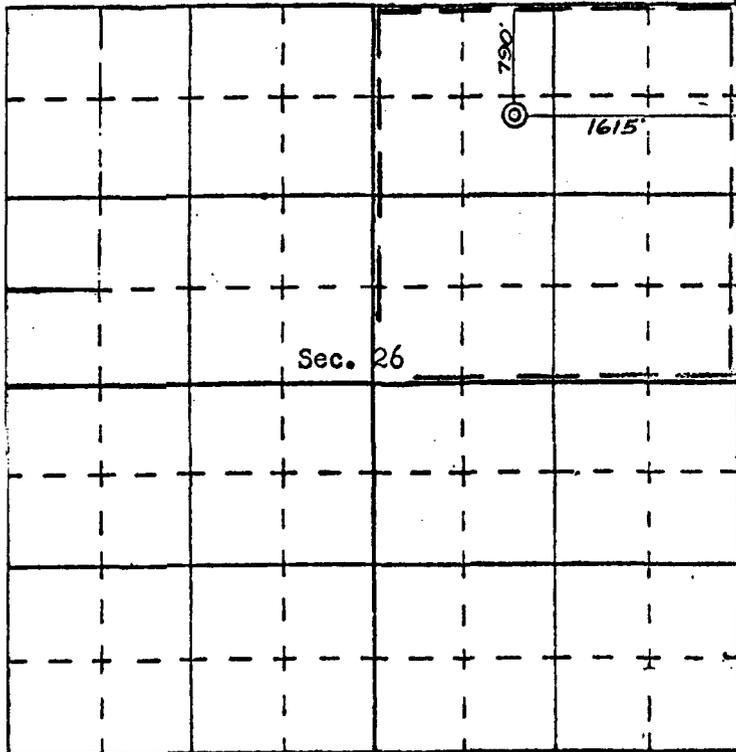
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name G. W. Eaton, Jr.  
 Position Area Engineer  
 Company PAN AMERICAN PETROLEUM CORP.  
 Date April 17, 1968



N

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 knowledge and belief.

Date Surveyed April 6, 1968  
 Registered Professional Engineer and/or Land Surveyor  
JAMES R. LEESE  
 1463  
 Certificate No. \_\_\_\_\_

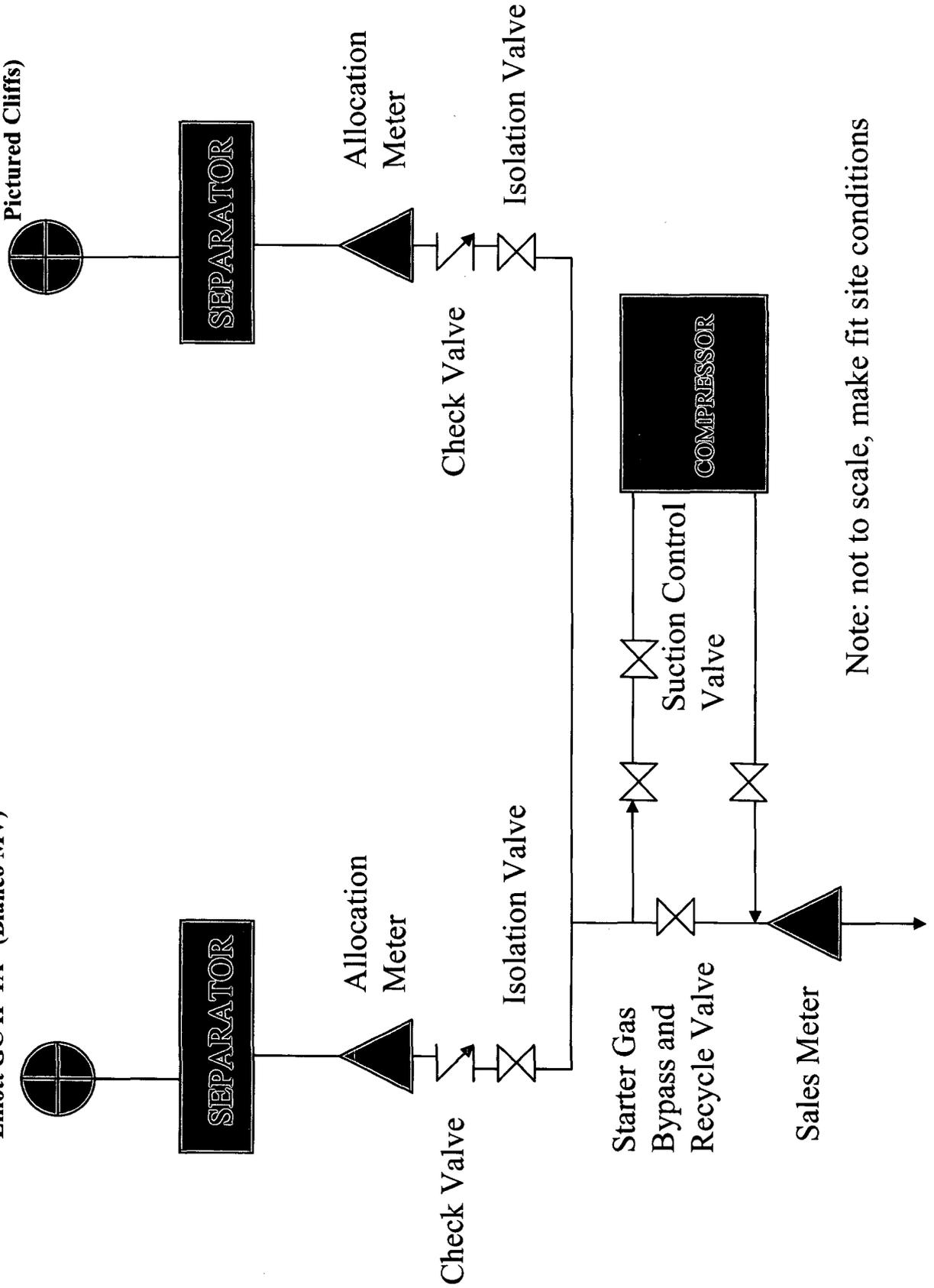
SCALE—4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

# Elliott GC Shared Compression

Elliott GCH 1A (Blanco MV)

Elliott GC K #1 (Blanco Pictured Cliffs)

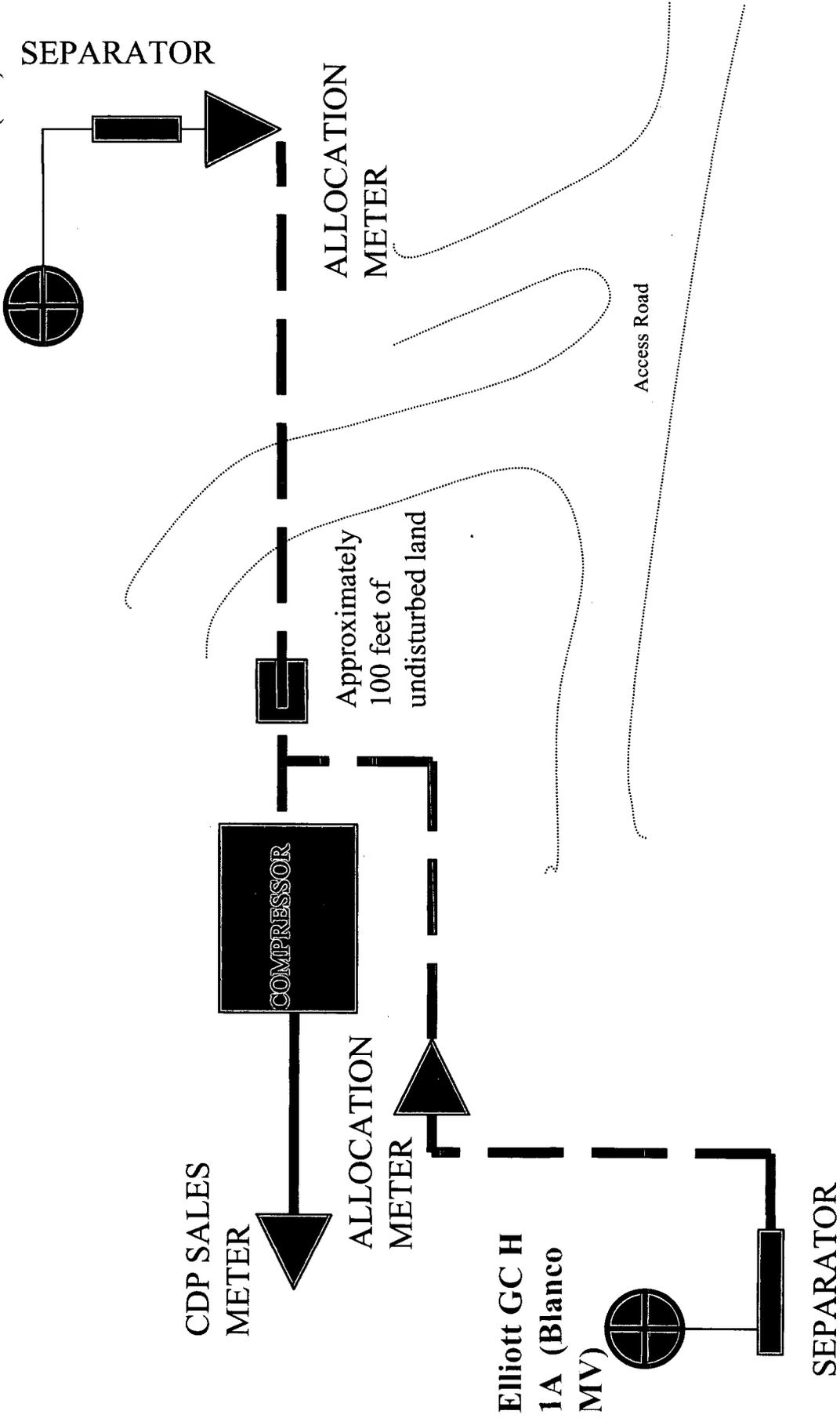


Note: not to scale, make fit site conditions

# SHARED COMPRESSOR SCHEMATIC FOR ELLIOTT GC K #1 &

## ELLIOTT GC H #1A SECTION 26, T30N, R09W; Elliott GC K #1 (PC)

Access Road



**Surface Commingling Interest Owners for Elliott Gas Com K 1 & Elliott Gas Com H 1A**  
**Notification sent certified mail return receipt 9/1/2006**

SYNERGY OPERATING LLC  
P O BOX 5513  
FARMINGTON, NM 87499-5513

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

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

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

ELLIOTT INDUSTRIES  
PO BOX 3300  
ROSWELL, NM 88202

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

MIDWEST OIL CORPORATION  
GENERAL DELIVERY  
OKLAHOMA CITY, OK 73102

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

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 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

**(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
<b>Blanco Picture Cliffs 72359 (#1)</b>	<b>1171 BTU</b>	<b>1171 BTU</b>	<b>29 MCFD</b>	<b>29</b>
<b>Blanco MV 72319 (#1A)</b>	<b>1211 BTU</b>	<b>1211 BTU</b>	<b>50 MCFD</b>	<b>50</b>

(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: Cherry Hlava   TITLE: Regulatory Analyst   DATE: 09/01/2006  
TYPE OR PRINT NAME Cherry Hlava   TELEPHONE NO.: 281-366-4081  
E-MAIL ADDRESS: hlavacl@bp.com