

ABOVE THIS LINE FOR DIVISION USE ONLY

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



RECEIVED

OCT 30 2006

ADMINISTRATIVE APPLICATION CHECKLIST Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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 _____

*Call if 2 Am
For Landman
Certification*

- [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.

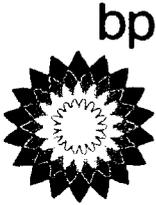
Cherry Hlava
Print or Type Name

Cherry Hlava
Signature

Regulatory Analyst
Title

10/26/2006
Date

hlavacl@bp.com
e-mail Address



San Juan South Asset

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

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

October 26, 2006

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

Surface Commingling Notice
Canepile Gas Com 1M
Canepile Gas Com 1N
Section 18, T31N, R10W
San Juan County, New Mexico

BP America Production Company respectfully request authorization to surface commingle gas production from the Basin Dakota & Blanco Mesaverde. Surface commingling Dakota & Mesaverde production will be from both the Canepile GC 1M (api 30-045-30578) & the Canepile GC 1N (api 30-045-32717). Both of these 'leases' are of the same base lease with same ownership between formations.

The production from each well will be separated & metered prior to commingling; 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 the same therefore no notification is necessary.

Attached in support of our application and in compliance with NMOCD Rule 303(B) are the following documents:

1. Plats with lease boundaries showing all well and facility locations.
2. Site Facility Schematic Flow Diagram
3. Form C-107-B

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

Yours very truly

A handwritten signature in cursive script that reads "Cherry Hlava".

Cherry Hlava
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 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
Basin Dakota 71599 (#1M)	1137 BTU	1137 BTU		1500	1500
Blanco Mesaverde 72319 (#1N)	1125 BTU	1125 BTU		1500	1500

- (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: 10/26/2006
 TYPE OR PRINT NAME Cherry Hlava TELEPHONE NO.: 281-366-4081
 E-MAIL ADDRESS: hlavacl@bp.com

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
311 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 and Natural Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

Form C-102
Revised October 18, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-045-30578	Pool Code 71599 & 72319	Pool Name Basin Dakota & Blanco Messaverde
Property Code 000355	Property Name CANEPLA GAS COM.	Well Number 1M
OCRID No. 000778	Operator Name AMOCO PRODUCTION COMPANY	Elevation 5914' GR

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 O	18	31N	10W		890'	SOUTH	2310'	EAST	San Juan

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
Dedicated Acreage 3.1681 3.0000									
Joint or Infill		Consolidation Code		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>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature: <i>Mary Corley Chaves</i> Printed Name: Mary Corley Position: Sr. Regulatory Analyst Date: 01/22/2001</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey: September 25, 2000</p> <p>Signature and Seal of Registered Surveyor: 7016 Certificate Number</p>

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

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 3122

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-32717	Pool Name BLANCO-MESAVERDE (PRORATED GAS)	Pool Code 72319
Property Code 355	Property Name CANEPLA GAS COM	Well No. 001N
OGRID No. 778	Operator Name BP AMERICA PRODUCTION COMPANY	Elevation 5910

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	18	31N	10W	6	960	S	2245	E	San Juan

Bottom Hole Location If Different From Surface

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	18	31N	10W	K	1440	S	2140	W	San Juan

Dedicated Acres 318.81	Joint or Infill	Consolidation Code	Order No.
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	K BH		

OPERATOR CERTIFICATION

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

Electronically Signed By: Mary Corley

Title: Manager

Date: 12/03/2004

Cherry Hlava 10-26-06

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.

Surveyed By: Gary D Vann

Date of Survey: 05/05/2004

Certificate Number: 7016

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

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1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 3122

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-32717	Pool Name BASIN DAKOTA (PRORATED GAS)	Pool Code 71599
Property Code 355	Property Name CANEPLA GAS COM	Well No. 001N
OGRID No. 778	Operator Name BP AMERICA PRODUCTION COMPANY	Elevation 5910

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	18	31N	10W	6	960	S	2245	E	San Juan

Bottom Hole Location If Different From Surface

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	18	31N	10W	K	1440	S	2140	W	San Juan

Dedicated Acres 318.81	Joint or Infill	Consolidation Code	Order No.
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	K		
	BH		

OPERATOR CERTIFICATION

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

Electronically Signed By: Mary Corley

Title: Manager

Date: 12/03/2004

Cherry Alava 10-26-06

SURVEYOR/CERTIFICATION

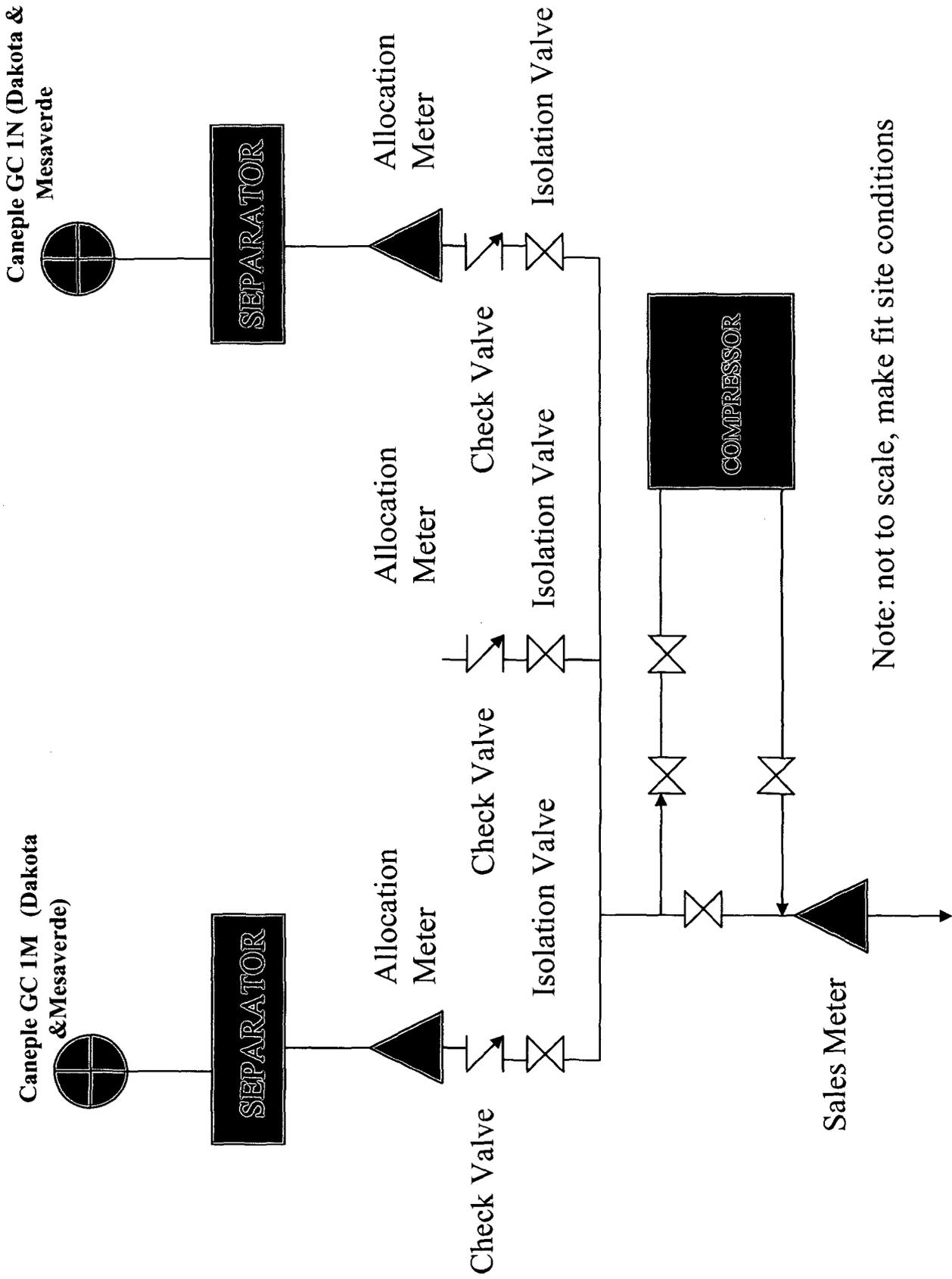
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Gary D Vann

Date of Survey: 05/05/2004

Certificate Number: 7016

Caneple GC Shared Compression



Note: not to scale, make fit site conditions

SHARED COMPRESSOR SCHEMATIC FOR Canepile GC 1M & 1N

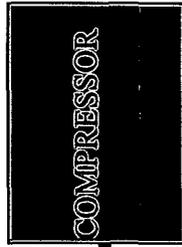
SECTION 7, T29N, R8W

Access Road

Canepile GC 1M MV &
DK



CDP SALES
METER



Approximately
100 feet of
undisturbed land

ALLOCATION
METER



ALLOCATION
METER

Canepile GC
1N DV & MV

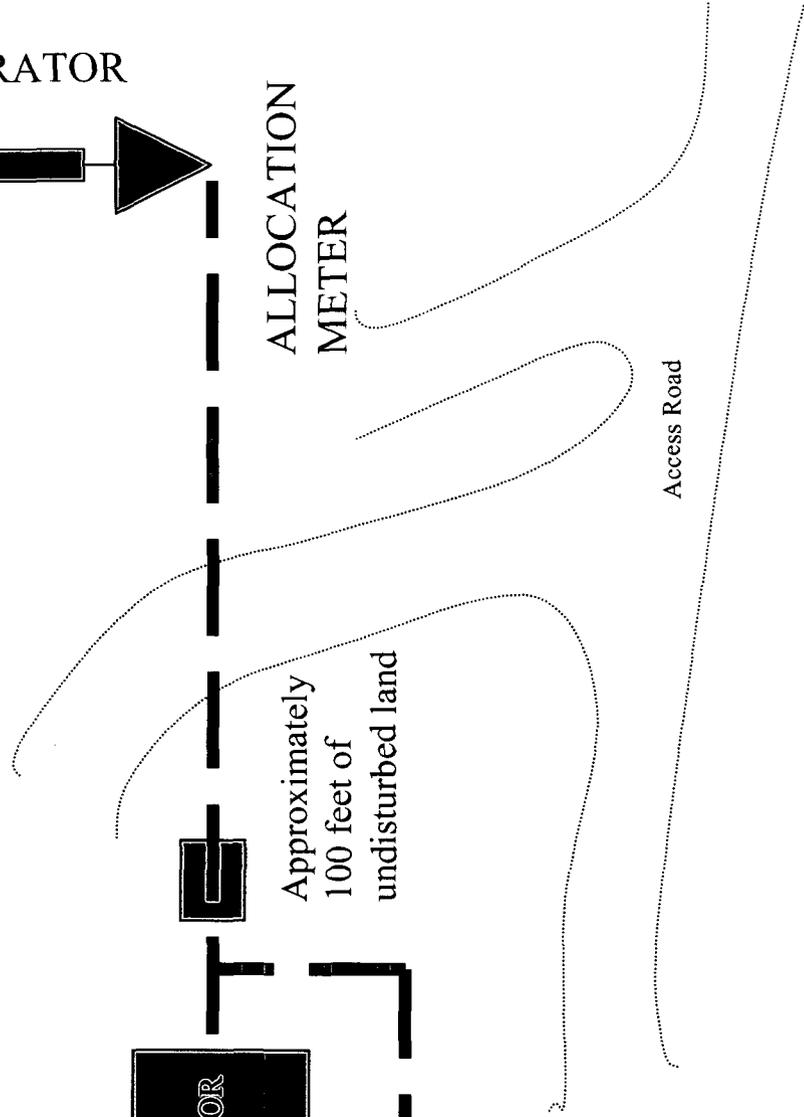


Access Road

SEPARATOR



SEPARATOR





BP America Production Company

Onshore US, North America Gas SPU
501 Westlake Park Boulevard
Houston, Texas 77079

Michael J. Beime
Land Negotiator

Phone: 281.366.1634
Fax: 281.366.0700
Email: michael.beime@bp.com

November 2, 2006

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

RE: Surface Commingling Application
Caneple Gas Com 1M & Caneple Gas Com 1N
Section 18, Township 31 North, Range 10 West, N.M.P.M.
San Juan County, New Mexico

Ladies and Gentlemen:

Please be advised that the working interest, royalty, and overriding royalty interest owners are identical for each of the referenced wells.

Sincerely,

Michael Beime
Land Negotiator

*The State of Texas
County of Harris*

*This instrument was acknowledged before me on
November 2, 2006 by Michael J. Beime*

*Linda J. Berry
Notary Public*

