

ABOVE THIS LINE FOR DIVISION USE ONLY

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



BP America

McCalley LS 2A 745

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

30-045-29305
 30-045-32426

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 Add Fruitland Coal well to order PC-1103-A

PC 1103-A

2010 APR 21 P 1:22
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[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

Cherry Hlava

Regulatory Analyst

4-19-2010

Print or Type Name

Signature

Title

Date

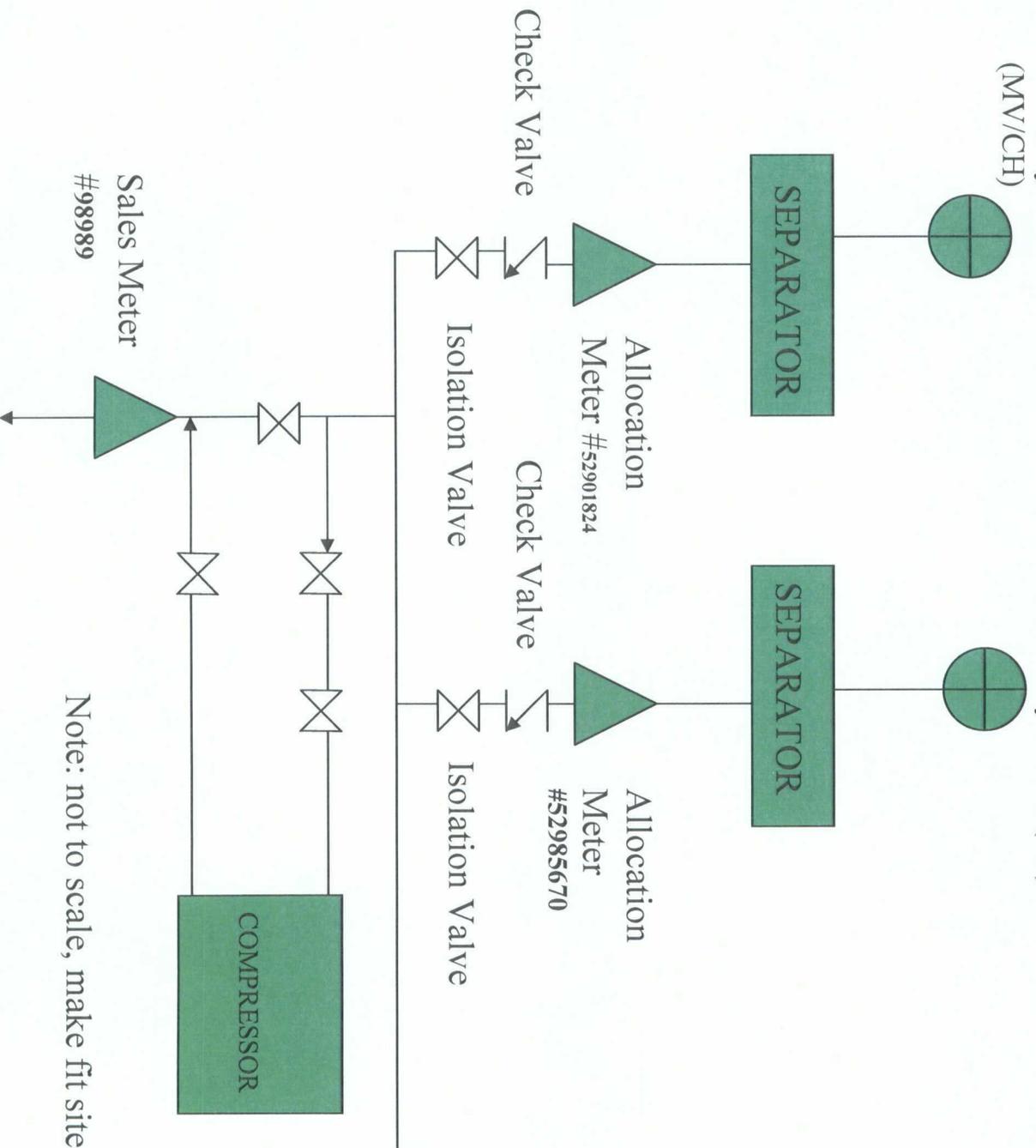
hlavacl@bp.com
 e-mail Address

McCulley Shared Compression

McCulley LS 2A
(MV/CH)

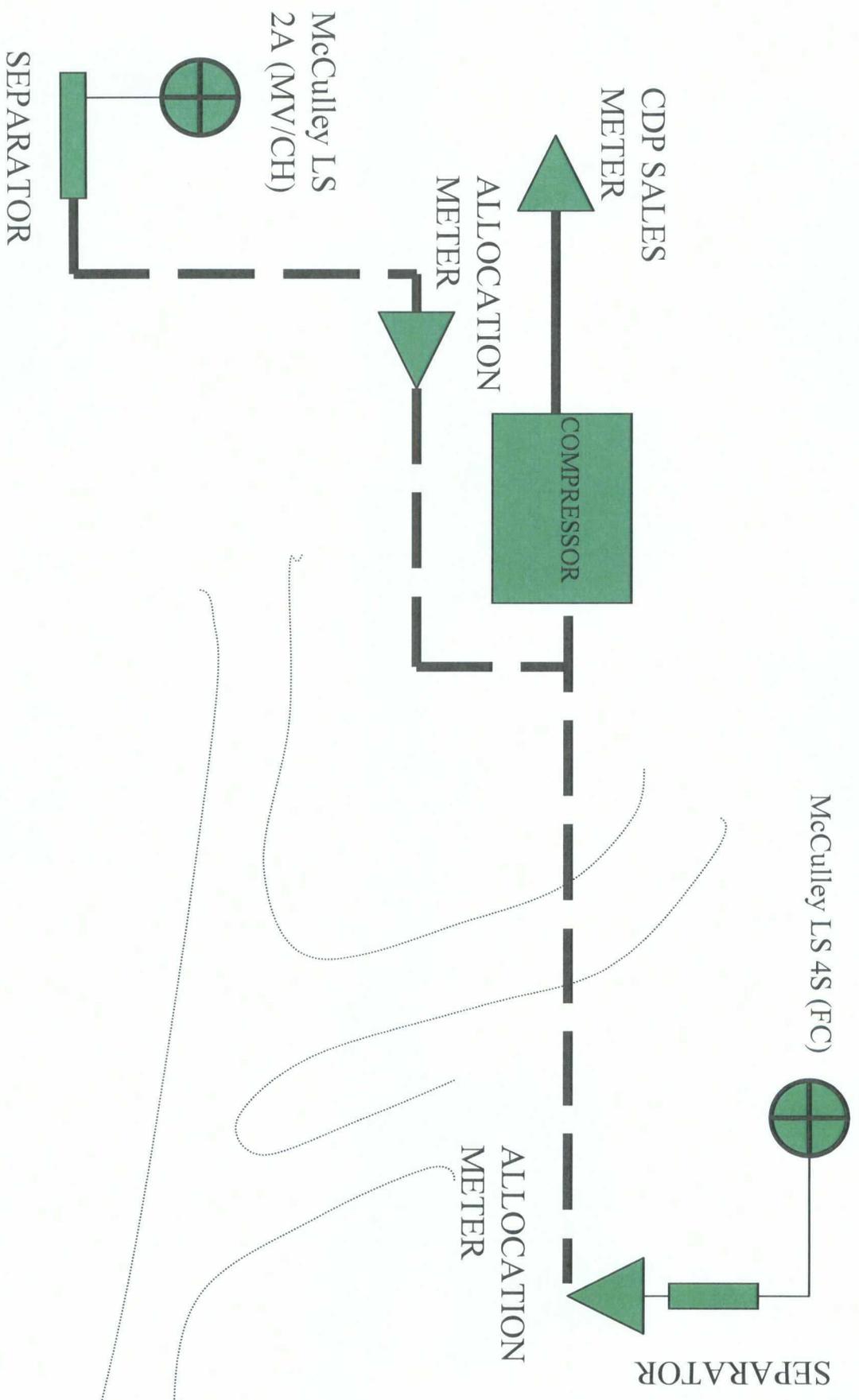
McCulley LS 4 S (FC)

McCulley LS 8 (PC)
P&A'd 12-14-09



Note: not to scale, make fit site conditions

McCulley Ground Disturbance for Meters only SECTION 14, T28N, R9W



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. **PC-1103-A**
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 Fruitland Coal (71629)	1138 BTU	1138 BTU		125 mcf	125
Blanco Mesaverde (72319)	1253 BTU	1253 BTU		150 mcf	150
Otero Chacra (82329)	1253 BTU	1253 BTU		150 mcf	150

- (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. (All Interest Owners are Identical)
(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

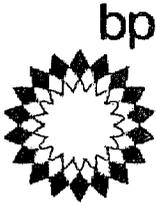
- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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: 04/19/2010

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

E-MAIL ADDRESS: hlavacl@bp.com



BP America Production Company

San Juan Performance Unit
501 Westlake Park Boulevard
Houston, Texas 77079
Room 19.112B

Ryan Fitzpatrick
Land Negotiator

Phone: 281.366.8852
Fax: 281.366.0700

March 25, 2010

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

Surface Commingling Application
McCulley LS No. 2A (MV/CH) 30-045-29305
McCulley LS No. 4 S (FC) 30-45-32426
McCulley LS 8 (PC/entire wellbore P&A'd) 30-045-20456
Section 14, T28N, R09W
San Juan County, New Mexico

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

Sincerely,

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

Ryan Fitzpatrick
Land Negotiator

District I
 PO Box 1980, Hobbs NM 88241-1980
 District II,
 PO Drawer KK, Artesia, NM 87211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-32426		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 000854		5 Property Name McCulley LS			6 Well Number #4S
7 OGRID No. 000778		8 Operator Name BP AMERICA PRODUCTION COMPANY			9 Elevation 5896

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
E	14	28 N	9 W		1490	NORTH	910	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

12 UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
13 Dedicated Acres 3.20		14 Joint or Infill		15 Consolidation Code		16 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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cherry Hlava</i> Signature</p> <p>Cherry Hlava Printed Name</p> <p>Regulatory Analyst Title</p> <p>6-16-04 Date</p>
	<p>18 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>April 21, 2004 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>7016 Certificate Number</p>

Existing well in PC-1103-A

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 30-045-29305	² Pool Code 72319 82329	³ Pool Name Blanco Mesaverde & Otero Chacra
⁴ Property Code 000854	⁵ Property Name McCulley LS	
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	
		⁶ Well Number 2A
		⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet from	East/West	County
Unit E	14	28N	09W		1545	North	895	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 160 CH 320 MV		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

<div style="border: 1px solid black; padding: 5px; width: fit-content;"> McCulley LS 2A API # 30-045-29305 1545' FNL & 895' FWL Blanco Mesaverde & Otero Chacra </div>				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Cherry Hlava</i> Signature Cherry Hlava Printed Name Regulatory Analyst Title 03/19/2010 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. On File
				Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number

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. 30-045-29305 (2A) & 30-045-20456 (8)
5. Indicate Type of Lease STATE FEE
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: McCulley LS (Federal Lease NM-04208 BLM Notified on Form 3160-5)
8. Well No. Nos. 2A & 8
9. Pool name or Wildcat Aztec PC, Blanco MV & Otero Chacra

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

2. Name of Operator
 BP America Production Company Attn: Mary Corley

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

4. Well Location
 Unit Letter E (see C-102) feet from the North line and _____ feet from the West line
 Section 14 Township 28N Range 09W NMPM San Juan County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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: <u>Surface Commingle - Amended to Add Chacra</u> <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 request permission to surface commingle production the Aztec Pictured Cliffs, Blanco Mesaverde & Otero Chacra Pools from our McCulley LS Wells No. 2A and 8. Surface commingling Aztec Pictured Cliffs production will consist of the McCulley LS Well 8; and Blanco Mesaverde and Otero Chacra production will be from the McCulley LS Well No. 2A. 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 Current Facilities Layout and the Proposed Surface Commingling Layout provided for your reference.

The working interest, royalty and overriding royalty interest owners in the subject wells are identical. 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.

PG-1103-A

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 04/27/2004
 Type or print name Mary Corley Telephone No. 281-366-4491

(This space for State use)

APPROVED BY W. D. Jones TITLE CCD Engineer DATE 6/1/04
 Conditions of approval, if any _____