

Received

OCT 22 2002

BP PERMIAN REGULATORY
HOUSTON

BP America Production Company

Amy T. Spang
Regulatory Compliance Analyst

501 Westlake Park Blvd, Rm 5.172
Houston, Texas 77079

September 24, 2002

Bureau of Land Management
2909 West Second Street
Roswell, NM 88201-2019

RE: Application to Surface Commingle
B&C Federal 25 #3, Crooked Canyon 35 Fed. #1, Leggett Federal #1, Little Box
State #3, B&C 25 Federal #1, Jaguar 26 Federal #1
Little Box Canyon (Morrow), Indian Loafer Draw (Upper Penn), Strychnine Draw
(Atoka), & Strychnine Draw (Strawn) Pools
Eddy Co., NM

Gentlemen:

BP America Production Company requests approval for a new surface commingle permit to gather gas and transport to one lease, compress the gas in one compressor, and sell the gas through one central sales point. The gas from each well will be metered separately prior to movement off lease and the individual well volumes will be allocated back based on metered production. A schematic of the commingling plan is attached to support the gas movement.

All wells in this application are flowing gas wells. All fluid produced on the individual leases will be kept on the respective leases.

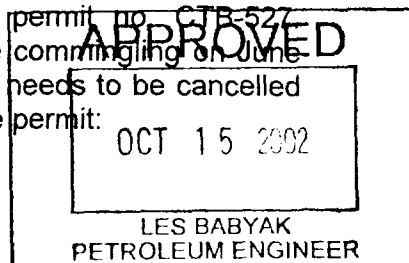
The following leases were previously commingled under commingle permit no. PLC-184. Working and royalty interests were previously notified of surface commingling on April 24, 2001. Upon this application, commingle permit no. PLC-184 needs to be cancelled and the following wells need to be added to this new surface commingle permit:

- Crooked Canyon 35 Federal #1 – Little Box Canyon (Morrow) Pool
- Leggett Federal #1 – Indian Loafer Draw (Upper Penn) Pool
- Little Box State #3 – Little Box Canyon (Morrow) Pool
- B&C Federal #1 – Little Box Canyon (Morrow) Pool
- Jaguar 26 Federal #1 – Strychnine Draw (Atoka/Strawn) Pool(s)

The following were previously commingled under commingle permit no. CTB-527. Working and royalty interests were previously notified of surface commingling on June 28, 2002. Upon this application, commingle permit no. CTB-527 needs to be cancelled and the following need to be added to this new surface commingle permit:

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case Nos. 12967 and 12968 Exhibit No. 7
Submitted by:
BP AMERICA PRODUCTION COMPANY
Hearing Date: January 9, 2003

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**





BP America Production Company

Amy T. Spang
Regulatory Compliance Analyst

501 Westlake Park Blvd, Rm 5.172
Houston, Texas 77079

September 24, 2002

Bureau of Land Management
2909 West Second Street
Roswell, NM 88201-2019

RE: Application to Surface Commingle
Little Box State #6, Sweet Thing Federal #2, Sweet Thing Federal #1, Nasser
Federal #1, Hilltop Federal #1, Sweet Thing 36 State #2, Little Box State #4
Little Box Canyon (Morrow) & Indian Loafer Draw (Upper Penn) Pools
Eddy Co., NM

Gentlemen:

BP America Production Company requests approval for a new surface commingle permit to gather gas and transport to one lease, compress the gas in one compressor, and sell the gas through one central sales point. The gas from each well will be metered separately prior to movement off lease and the individual well volumes will be allocated back based on metered production. A schematic of the commingling plan is attached to support the gas movement.

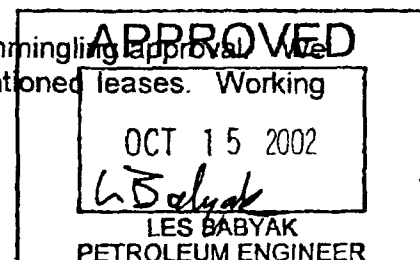
All wells in this application are flowing gas wells. All fluid produced on the individual leases will be kept on the respective leases.

The following leases were previously commingled under commingle permit no. PLC-184. Working and royalty interests were previously notified of surface commingling on April 24, 2001. Upon this application, commingle permit no. PLC-184 needs to be cancelled and the following wells need to be added to this new surface commingle permit:

- Sweet Thing Federal Unit #2 – Little Box Canyon (Morrow) NM-82831
- Sweet Thing Federal Unit #1 – Little Box Canyon (Morrow) NM-88085
- Nasser Federal #1 – Little Box Canyon (Morrow) NM-27451
- Nasser Federal #1 – Indian Loafer Draw (Upper Penn.)
- Hilltop Federal #1 – Indian Loafer Draw (Upper Penn.) NM-27451
- Sweet Thing 36 State #2 – Indian Loafer Draw (Upper Penn.)
- Little Box State #4 – Indian Loafer Draw (Upper Penn.)

The Little Box State lease, well no 6, has not had previous commingling approval. We request to add it to this new permit along with the above mentioned leases. Working

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



Form 3160-5
(November 1994)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLSDo not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30 2000

5. Lease Serial No.

various (see attached)

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

various

9. API Well No.

various (see attached)

10. Field and Pool, or Exploratory Area

various (see attached)

11. County or Parish, State

EDDY NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
- ☒ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|-----------------------------------------------|-------------------------------------------|----------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Surface</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Commingle Permit</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

BP America Production Company requests a new surface commingle permit. See attached for list of leases.

Plans are to gather gas and transport to one lease, compress the gas in one compressor, and sell the gas through one central sales point. The gas from each well will be metered separately prior to movement off lease and the individual well volumes will be allocated based on metered production.

Gas will be sold through central sales point: EPFS meter #68474

Also, surface commingle permit PLC-184 needs to be cancelled.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

AMY T. SPANG

Title

REGULATORY COMPLIANCE ANALYST

Date 9/24/02

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

L. Babayak
OCT 15 2002

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 491 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations or to furnish any false, fictitious or fraudulent information.

Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(505) 627-0272

**Off-Lease Measurement, Storage, and Surface Commingling
Conditions Of Approval**

1. This agency be notified of any change in your sales method or location of the sales meter.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to this office for wells in Chaves or Roosevelt County or the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.