

Owner Relations



CUSTOMER SERVICE

Owners may contact BP:

By Letter:

BP America Production Company
Division of Interest
P.O. Box 696505
San Antonio, TX 78269-6505

By Email:

ownerrelations@bp.com

By Telephone:

1-800-732-6626, 9:00-4:00 CST,
Monday-Friday

By Facsimile:

1-210-870-1008

See answers to frequently
asked questions at BP's owner
relations website:
www.oildex.com
(Log in under Owner
Relations and select BP)

FACTS:

7,500,000,000

Barrels of oil equivalent that make up
L48's extensive resource base

5,700,000

Net acres spanning L48's area of
production

284,000

Barrels of oil equivalent that L48 produced
per day in 2015

65,000

Owners who have an interest in wells
operated or partly owned by L48

23,000

Wells operated or partly owned by L48

BP America Production Company Lower 48 Onshore

BP's U.S. Lower 48 (L48) onshore business operates from Texas up through the northwest into Wyoming, across an extensive resource base containing roughly 7.5 billion barrels of oil equivalent. L48 production spans 5.7 million net acres. Headquartered in Houston, Texas, L48 employs about 1,200 people in five states. The company produced 284,000 barrels of oil equivalent per day in 2015 and operates more than 9,800 wells, with interests in about 13,200 additional wells.

L48 began operating in the U.S. as a separate entity in 2015, but remains wholly owned by BP. This change has enabled the L48 business to respond rapidly to the unique and highly competitive operating environment of the U.S. onshore exploration and production industry.

Lower 48 onshore adapting rapidly:

- **OKLAHOMA:** L48 is a leading producer of tight gas in the Arkoma, Woodford and Anadarko basins and is further growing its presence and operational footprint in this region with ownership in approximately 8000 wells and the 2015 opening of its Oklahoma City office.
- **TEXAS:** L48 has increased its position in the Panhandle and East Texas operating 70% of the 3500 wells in which BP has an interest. L48 also owns a 40 percent interest in a joint venture with Lewis Energy operating in the South Texas Eagle Ford Shale where there is a resource potential of 1.7 billion barrels of oil equivalent.
- **COLORADO and NEW MEXICO:** L48 is the largest operator in the Colorado side of the San Juan Basin, and has expanded its business in New Mexico through an acquisition of Devon's operated interest in the Northeast Blanco Unit (NEBU), a section of federal lands comprised of 480 participating area wells that are spread across 33,000 gross acres. In 2015, L48 successfully completed three multi-lateral wells in the San Juan Basin, the first-ever wells of this type there.
- **WYOMING:** L48's operations are anchored in the south-central part of the state in the Wamsutter field, one of America's premier reservoirs of tight gas. The company is the field's largest operator.
- **ARKANSAS:** In 2008, L48 acquired Chesapeake's working interest in the Fayetteville Shale, and currently has an interest in approximately 4,700 wells.

BP in the community:

Since 2007, BP has given more than \$6.5 million to support energy research and education programs at the University of Wyoming. In New Mexico, BP invested \$5 million to help build the BP Center for Energy Education at San Juan College to support students pursuing careers in fields related to science, technology, engineering and math, and further develop a pipeline of qualified oil and gas industry workers.

L48 is committed to supporting and being involved in the communities where it operates, and encourages its employees to actively participate in volunteer efforts. Being a safe, compliant and reliable operator is L48's highest priority, and it understands that the privilege to operate in these communities depends on its ability to operate responsibly.



How to read your payment attachment:



Statement of Oil and Gas Purchased/Sold
(Federal and State Taxes have been deducted where required)
Keep for tax purposes. Duplicated cannot be furnished.

Owner's Name: John E. Doe

Check Date: 3/20/16

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15 WHEN INQUIRING PLEASE REFER TO YOUR BUSINESS ASSOCIATE NO. 000000 00

1 PROPERTY NUMBER	2 DOI NUMBER	3 PURCHASED /SOLD		4 PRODUCT CODE	5 LC*	6 QUANTITY	7 BTU FACTOR	8 AVERAGE UNIT PRICE \$	9 TOTAL VALUE \$	10 PRODUCTION TAXES \$	11 TOTAL VALUE AFTER TAX \$	12 INTEREST TYPE	13 DECIMAL	14 PAYMENT	
		MO	YR											GROSS VALUE \$	NET VALUE \$
ABC GAS		UNIT													
12345678	00001	01	2016	200		1000	1.110	2.50	2,500.00	250.00	2,250.00	RI	.1250000	312.50	281.25
12345678	00001	01	2013	200	20				-10.00		-10.00		.1250000		-1.25
12345678	00001	01	2013	200	19				-10.00		-10.00		.1250000		-1.25
Total															278.75

LC 01 – NON-RESIDENT ALIEN 02 – AD VALOREM DIRECT RECOVERY 04 – UTAH STATE TAX 05 – COLORADO STATE TAX 06 – INTEREST PAID
08 – MISC. 09 – OKLAHOMA ALIEN TAX 10 – BACKUP WITHHOLDING TAX 12 – NON-RESIDENT INCOME TAX 17 – SETTLEMENT DIFFERENCES
19 – MAINLINE TRANSPORTATION 20 – POST PRODUCTION & PROCESSING COSTS PR – PRODUCTION TAXES EX – EXTRACTION TAXES

PRODUCT CODES: 1XX – OIL (BBLs) 2XX – GAS (MCF) 3XX – CONDENSATE (BBLs) 4XX – PLANT PRODUCTS (BBLs/GALS)
7XX – SULFUR (TONS) 8XX – INJECTANTS (BBLs)

Questions regarding the calculation or reporting of your payment may be directed to BP Customer Service Center at 1-800-732-6626 or you may send your inquiry in writing to: BP America Production Company, Attn: Customer Service Center, P.O. Box 696505, San Antonio, TX 78269-6505. Post Production and Processing costs reported on this advice may include costs incurred by BP to dehydrate, treat, compress, gather, or process gas. Quantity reported is sales volume and may have been reduced for fuel/fee volumes if product is sold downstream of the well. BP explicitly reserves all legal rights, defenses, and claims pertaining to royalty under the applicable leases.

- Property Number** – The eight-digit number assigned to the lease or unit. The property name, county and state appear on the line directly above the first occurrence of each Property Number.
- DOI Number** (Division of Interest Number) – The five-digit number assigned to further define the property for accounting purposes.
- Purchased/Sold** – The month and year of individual sales or purchases which are included in the payment.
- Product Code** – A three-digit code specifying the product accounted for on this line. The Product Codes most often used appear at the bottom of the payment attachment. "X" denotes a number that further identifies a specific product.
- LC** (Legend Code) – A code identifying deductions or special payments. An explanation of the codes most often used appears at the bottom of the payment attachment.
- Quantity** – Gross volume of a transaction shown in barrels, gallons or MCF (thousand cubic feet).
- BTU Factor** (British Thermal Unit) – The heating value of the gas.
- Average Unit Price** – Calculated by dividing "total value" by "quantity" for each line. (Unit price may be omitted on certain adjustments, if not informative).
- Total Value** – The before tax value of the quantity for each property – DOI.
- Production Taxes** – Severance and other production taxes applicable to the oil or gas sold from each property – DOI.
- Total Value After Tax** – Net value after production taxes are withheld.

- Type Interest** – A two-character field designating the type of interest accounted for on each property – DOI.
Possible Types of Interest:
BL – Blanchard Royalty
CR – Compensatory Royalty
MI – Mineral Interest
OC – Override Convertible
OR – Overriding Royalty
OU – Override Unsigned
OW – Override Working Interest
PP – Production Payment
PR – Partnership
RI – Royalty Interest
RO – Reversionary Interest
RU – Royalty Unsigned
WI – Working Interest
WR – Working Other
- Decimal** – A decimal used to reflect your proportionate share in the sale of production from a property. Note, the Disbursement Decimal shown can differ from the DOI Decimal. For example, if there are multiple working interest owners in a property, the Disbursement Decimal may be adjusted to reflect your proportionate share of the volumes your lessee is entitled to receive.
- Payment** – "Gross Value" is your decimal interest applied to "Total Value" before deductions or special payments. "Net Value" is the gross value less your share of taxes.
- Business Associate Number** – The number assigned exclusively to you as an owner will be printed in this space. The number shown is only an example.
- Deductions** – A dash or minus sign ("-") before any amount in the "Payment" columns indicates a deduction.
- Total** – The total amount of the payment.