

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.	30-045-30025 30757
5. Indicate Type of Lease	STATE FEE
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name:	Mudge LS (BLM - SF- 078051)
8. Well No.	22M
9. Pool name or Wildcat	Basin Dakota & Blanco Mesaverde

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEEN OR PHLEPAC TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 <u>P</u> <u>1120</u> feet from the <u>South</u> line and <u>860</u> feet from the <u>East</u> line
Section <u>04</u> Township <u>31N</u> Range <u>11W</u> NMPM <u>San Juan</u> County
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6075' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Downhole Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input 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 recompletion.
On 07/21/2001, BP America Production Company submitted an application for permit to drill and complete the subject well into the Basin Dakota, produce the well to establish a production rate, add the Blanco Mesaverde and commingle production Downhole. The completion into the Dakota is expected to be completed early January 2003, the Mesaverde completion will follow shortly thereafter as per the procedure indicated on the reverse side of this form.

The Basin Dakota (71599) & the Blanco Mesaverde (72319) Pools are Pre-Approved for Downhole Commingling per NMOCD Order R - 11363. The working and overriding royalty interest owners in the proposed commingled pools are not identical, therefore all interest owners are being notified of our intent to Downhole commingle and the proposed allocation method on December 13, 2003.

Production is proposed to be allocated based on a fixed percentage. We will perform a deliverability test on the Dakota, isolate the zone and complete into the Mesaverde. The deliverability test will be performed on the combined zones and Dakota rate will be subtracted from the total well stream to establish the Mesaverde rate.

Commingling Production Downhole in the subject well from the proposed pools with not reduce the value of the total remaining production.

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 12/13/2002
Type or print name Mary Corley Telephone No. 281-366-4491

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 03
Conditions of approval, if any:

DATE DEC 16 2002

Downhole Commingling Procedure

1. Run TDT log
2. Perforate Dakota
3. frac the Dakota (Slick Water)
5. Clean out frac & flow back to stabilize production
6. Run 2 3/8" tubing and perform 12 hour stabilized test on Dakota
7. Set Bridge plug Between Mesaverde and Dakota
8. Perforate and frac (2 Stage N2 Foam) the Mesaverde Formation
9. Clean out frac and wellbore to PBTD
10. Run Completion String and RDSU
11. Put well on Line
12. Perform well test on the Combined Mesaverde/Dakota production stream