

Submit 4 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-24960
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State Gas Com BW
8. Well Number 1
9. OGRID Number 000778
10. Pool name or Wildcat Basin Fruitland Coal

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

3. Address of Operator
501 Westlake Park Blvd.
Houston, TX 77079

4. Well Location
Unit Letter B : 790 feet from the North line and 1480 feet from the East line
Section 32 Township 32N Range 10W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5919'

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☒
CLOSED-LOOP SYSTEM ☒
OTHER: Deepen/Install Liner ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BP applied for and received approval to deepen the subject well 12/02/2011. BP America Production Company respectfully requests to cancel the previously approved permit, and re-apply to deepen & install liner in the subject well with no additional perforations in the formation. Although we believe the Blanco Pictured Cliffs will be non-productive in the well without perforation & fracture stimulation, BP will also pursue downhole commingling of the Basin Fruitland Coal & Blanco Pictured Cliffs formations. Therefore, we respectfully request to forgo the use of a mud logger during operations.

The Basin Fruitland Coal (71629) & the Blanco Pictured Cliffs (72359) pools are pre-approved for DHC per NMOCD Case No. 12346; Order No. R-11363 effective 04/26/2000. The interest owners are not identical in the subject well therefore notification is required. Dugan Production is the working interest owner in the Basin Fruitland Coal of the subject well and was notified by certified mail. BP owns 100% of the Pictured Cliffs formation. Please see attached Land Letter.

BP will not perforate or hydraulic fracture the subject well in the Blanco Pictured Cliffs formation. The exposed Blanco Pictured Cliffs formation will be covered by an un-cemented liner and again will not be stimulated, therefore we are allocating the production as follows: Blanco Pictured Cliffs= Oil 0%, Gas 0%, and Water 0%, and Basin Fruitland Coal= Oil 100%, Gas 100%, and Water 100%. The basis for this allocation is solely contributed to offset production.

Commingling production downhole in the subject well from the proposed pools will not reduce the value of the total remaining production. Please see attached Deepening procedure, wellbore schematics & C-102 plats.

Spud Date: 04/21/1981

Rig Release Date:

Must have mud logger take samples and file mud log for review before running liner
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Toya Colvin TITLE Regulatory Analyst DATE 02/12/2015

Type or print name Toya Colvin E-mail address: Toya.Colvin@bp.com PHONE: 281-366-7148

For State Use Only
APPROVED BY: Charles TITLE SUPERVISOR DISTRICT #3 DATE FEB 20 2015
Conditions of Approval (if any):

State GC BW 001

Sec 32, T32N, R10W

API # 30-045-24960

Reason/Background for Job

The proposed work is to deepen the well to provide additional rathole and install liner to effectively produce the Fruitland Coal formation

Basic job procedure

1. Pull tubing
2. Deepen well to 2800' \pm
3. Run liner – either pre-slotted or perforate after installation; liner might be run with bit and sub on bottom
4. Run tubing
5. Return well to production

* File C104 & C-105 for PC before
returning to Production

Current WBD

State GC BW 001
Sec 32, T32N, R10W
API # 30-045-24960

GL 5919'
KB 5932'

Formation Tops (ft)

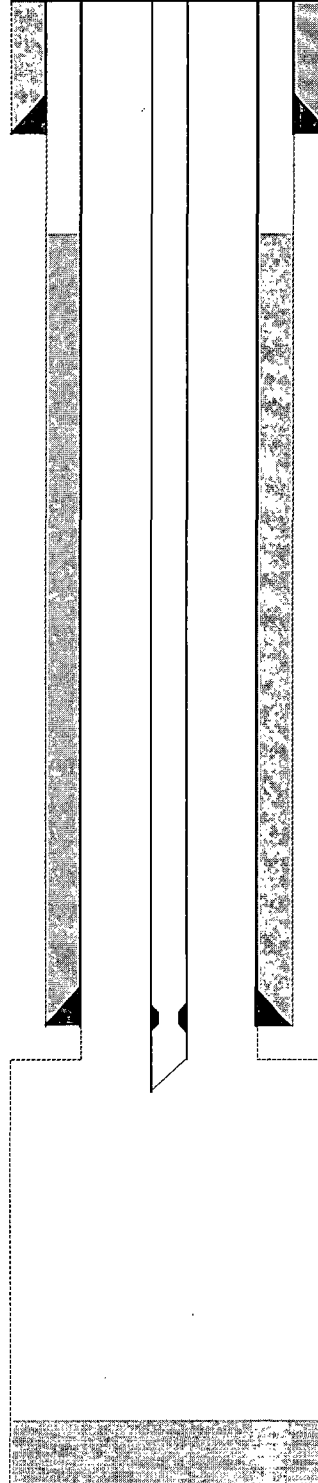
Ojo Alamo	1355
Kirtland	1485
Fruitland	2460
PC	2730

Deviation survey

Depth (ft)	Dev (deg)
301	0.5
816	0.5
1341	0.5
1795	0.5
2293	0.75
2651	1

F-Nipple @ 2683'
EOT @ 2686'

Fill @ 2700' (2011)



Surface Casing

12 1/4" hole
9 5/8", 32.3#, H40 ST&C @ 293'
350 sxs B
TOC @ surface

Tubing String

	<u>Length (ft)</u>
MS 2 3/8", 4.7#, J55	2
F Nipple 2 3/8" / 1.78"	1
Tbg 2 3/8", 4.7#, J55, 82 jts	2619
Pup Jts 2 3/8", 4.7#, J55, (10', 4', 4')	18
Tbg 2 3/8", 4.7#, J55	33

Production Casing

8 3/4" hole
7", 20#, K55 ST&C @ 2680'
540 sxs B
TOC unknown

Fruitland Coal

Inject 1650 # of 40/60 sand
during original completion

6 1/8" hole
Underreamed to 13"

TD 2713'

Proposed WBD

State GC BW 001
Sec 32, T32N, R10W
API # 30-045-24960

GL 5919'
KB 5932'

Formation Tops

Ojo Alamo	1355
Kirtland	1485
Fruitland	2460
PC	2730

Deviation survey

Depth (ft)	Dev (deg)
301	0.5
816	0.5
1341	0.5
1795	0.5
2293	0.75
2651	1

Surface Casing

12 1/4" hole
9 5/8", 32.3#, H40 ST&C @ 293'
350 sxs B
TOC @ surface

Tubing String

MS 2 3/8", 4.7#, J55, 18' ±
F Nipple 2 3/8" / 1.78"
Tbg 2 3/8", 4.7#, J55
add pup jts for spaceout

Production Casing

8 3/4" hole
7", 20#, K55 ST&C @ 2680'
540 sxs B
TOC unknown

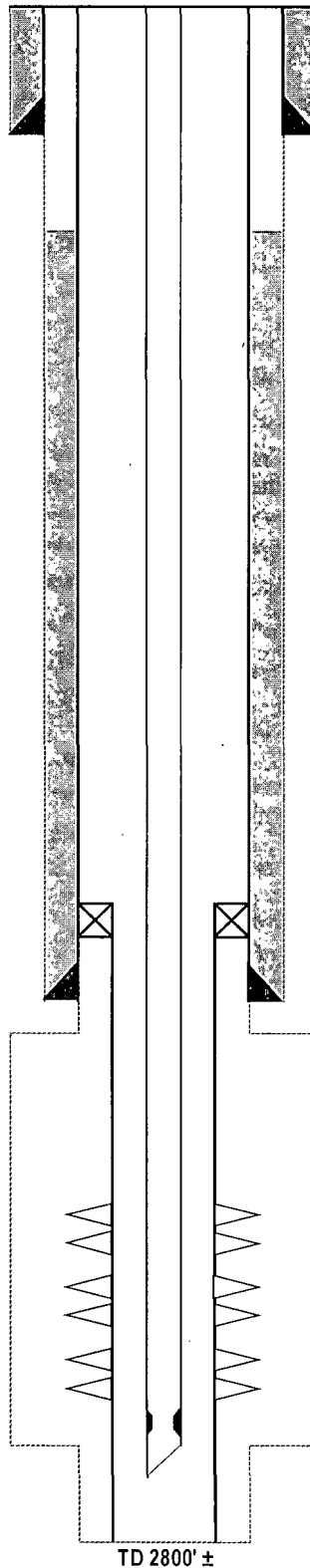
Fruitland Coal

Inject 1650 # of 40/60 sand
during original completion

**Liner perfs will be determined
based on logs**

6 1/8" hole @ 2713
Underreamed to 13"
6 1/4" hole
5 1/2", 15.50#, J55,
511 Hydrill @ 2800' ±

F-Nipple @ 2686' ±
EOT @ 2705' ±



TD 2800' ±



BP America Production Co. P.O. Box 3092
North American Gas - San Juan Houston, TX 77253-3092
281-366-2761 (direct) 501 West Lake Park Blvd.
281-366-0700 (fax) Houston, TX 77079

February 12, 2015

Ms. Toya Colvin – Regulatory Analyst
BP America Production Company
501 Westlake Park Blvd.
Houston, TX 77079

RE: State Gas Com BW #1 – Commingle Application
Section 32-T32N-R10W
San Juan County, NM
API #30-045-24960

Ms. Colvin:

I have reviewed BP America Production Company's division order records and other BP files concerning the above captioned well by comparing interest records for the Basin Fruitland Coal formation against the interest records for the Blanco Pictured Cliffs formation in the N/2 of Section 32-T32N-R10W. This review indicated that ownership in the Basin Fruitland Coal and Blanco Pictured Cliffs formations are as follows:

Basin Fruitland Coal – N/2 Section 32-T32N-R10W (320 acres)

BP America Production Company	87.50% WI
Dugan Production Co.	12.50% WI

Blanco Pictured Cliffs – NE/4 Section 32-T32N-R10W (160 acres)

BP America Production Company	100% WI
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Please contact me at x2761 if you have any questions concerning this topic.

Sincerely,

Craig A. Carley
Land Negotiator – San Juan Asset

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-24960		² Pool Code 71629		³ Pool Name Basin Fruitland Coal					
⁴ Property Code 001082		⁵ Property Name State Gas Com BW						⁶ Well Number 1	
⁷ OGRID No. 000778		⁸ Operator Name BP America Production Company						⁹ Elevation 5919	

¹⁰ Surface Location

UL or lot no. B	Section 32	Township 32N	Range 10W	Lot Idn	Feet from the 790	North/South line North	Feet from the 1480	East/West line East	County San Juan
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¹¹ 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

¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. R- 11363			
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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> <div>16</div> </div>				<div> <div>17 OPERATOR CERTIFICATION</div> <div> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. </div> <div> <div> Toya Colvin Printed Name </div> <div> <div> Toya Colvin@bp.com E-mail Address </div> <div> <div> Signature </div> <div> <div>2/12/2015</div> <div>Date</div> </div> </div> </div> </div></div>	
<div> <div>18 SURVEYOR CERTIFICATION</div> <div> 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. </div> <div> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor:</div> </div> <div> <div>Previously Filed</div> <div>Certificate Number</div> </div> </div>					

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-24960	² Pool Code 72359	³ Pool Name Blanco Pictured Cliffs
⁴ Property Code 001082	⁵ Property Name State Gas Com BW	⁶ Well Number 1
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 5919

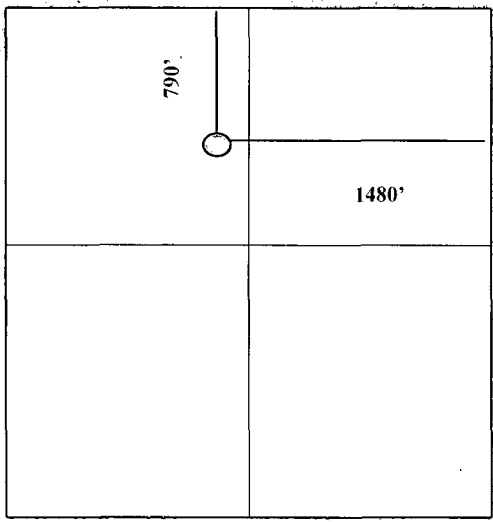
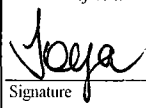
¹⁰ Surface Location

UL or lot no. B	Section 32	Township 32N	Range 10W	Lot Idn	Feet from the 790	North/South line North	Feet from the 1480	East/West line East	County San Juan
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¹¹ 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
¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R- 11363						

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.

¹⁶			¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  7/12/2015 Signature Date Toya Colvin Printed Name Toya.Colvin@bp.com E-mail Address
			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. Date of Survey Signature and Seal of Professional Surveyor: Previously Filed Certificate Number