

Submit 1 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. 30-045-24974
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 Schneider Gas Com Fruitland B
8. Well Number 1S
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 M_: 950 feet from the South line and 900 feet from the West line
Section 28 Township 32N Range 10W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6063'

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 America Production Company respectfully requests to deepen & install liner in the subject well. 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.

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 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:

04/15/1981

Rig Release Date:

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

02/23/2015

Type or print name

Toya Colvin

E-mail address

Toya.Colvin@dnr.com

PHONE: 381-366-7148

For State Use Only

APPROVED BY:

[Signature]

TITLE

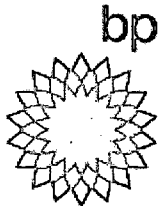
DISTRICT #3

DATE

MAR 03 2015

Conditions of Approval (if any):

AV



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 19, 2015

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

RE: Schneider Gas Com Fruitland “B” #1S – Commingle Application
Section 28-T32N-R10W
San Juan County, NM
API #30-045-24974

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 Fruitland Coal formation against the interest records for the Pictured Cliffs formation in the S/2 of Section 28-T32N-R10W. This review indicated that ownership in the Fruitland Coal and Pictured Cliffs formations are as follows:

Fruitland Coal – S/2 Section 28-T32N-R10W (320 acres)

BP America Production Company	98.296880% WI
Evelyn J Bailey-Trust	1.703120% WI

Pictured Cliffs – SE/4 Section 28-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,

A handwritten signature in cursive script that reads "Craig A. Carley".

Craig A. Carley
Land Negotiator – San Juan Asset

Schneider GC B 001S

Coal

API # 30-045-24974-00

Unit M - Sec 28 - T32N - R10W

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

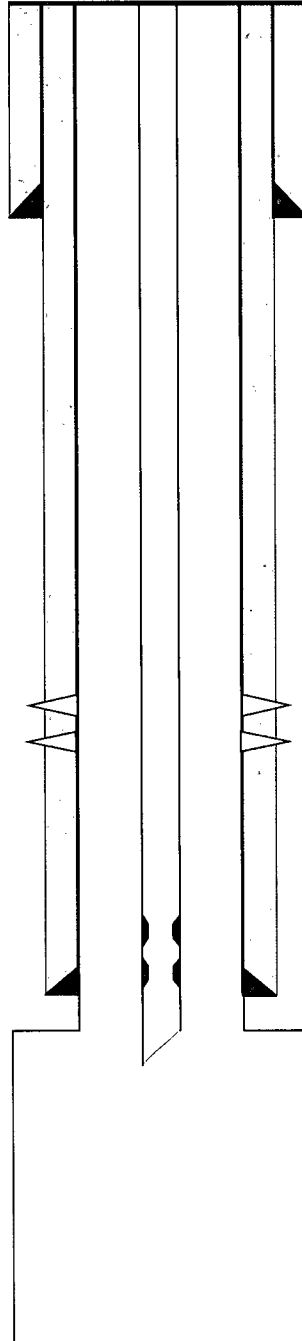
1. Pull tubing
2. Deepen well to $\pm 2955'$
3. Run liner – either pre-slotted or perforate after installation; liner might be run with bit and sub on bottom (TOL @ $\pm 2785'$)
4. Run tubing
5. Install artificial lift
6. Return well to production

Current WBD



Schneider GC B 001S
Coal
API # 30-045-24974-00
Unit M - Sec 28 - T32N - R10W

GL 6063'
KB 6075'



Surface Casing

12 1/4" hole
9 5/8", 32.3#, K55 @ 307'
350 sxs B
TOC @ surf (circ)

Tubing String

	<u>Length(ft)</u>
MS 2 7/8", 6.5#, J55	18
F-Nipple 2 7/8" / 1.78" ID	1
Pup Jt 2 7/8", 6.5#, J55	4
X-Nipple 2 7/8" / 2.313" ID	1
Tbg 2 7/8", 6.5#, J55, xx jts	2759
Pup Jt 2 7/8", 6.5#, J55	4
Tbg 2 7/8", 6.5#, J55	30

Ignacio Perfs

2616 - 2655' - 4 spf

Cottonwood Perfs

2709 - 2718' - 4 spf
frac in 1 stage w/ 70% Q foam and 59 K #

Production Casing

8 3/4" hole
7", 20#, K55 @ 2826'
545 sxs B
TOC @ surf (circ)

Deviation survey

depth (ft)	dev (deg)
307	0.5
817	0.75
1310	0.75
1805	1
2331	1
2810	0.75

X Nipple @ 2794'
F Nipple @ 2799'
EOT @ 2818'

6 1/4" hole
Underreamed to 9"

TD 2853'

Proposed WBD



Schneider GC B 001S
Coal
API # 30-045-24974-00
Unit M - Sec 28 - T32N - R10W

Deviation survey

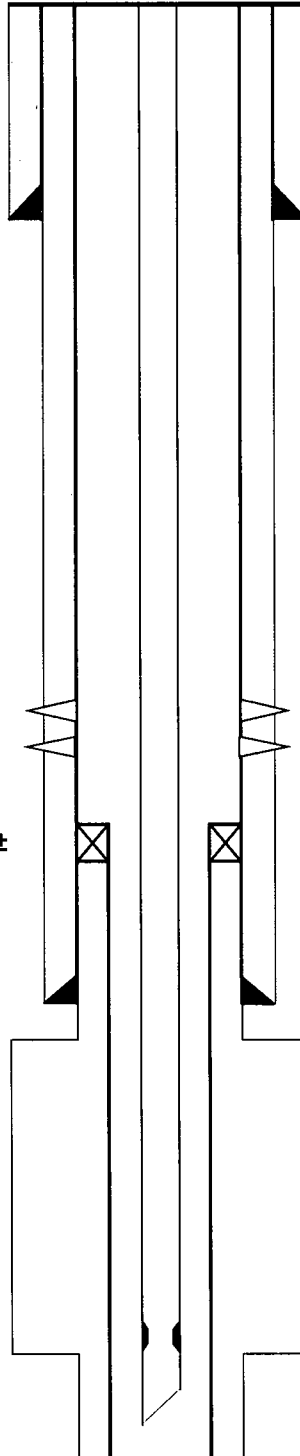
depth (ft)	dev (deg)
307	0.5
817	0.75
1310	0.75
1805	1
2331	1
2810	0.75

TOL @ 2785' ±

F Nipple @ 2900' ±

EOT @ 2920' ±

GL 6063'
KB 6075'



TD 2955' ±

Surface Casing

12 1/4" hole
9 5/8", 32.3#, K55 @ 307'
350 sxs B
TOC @ surf (circ)

Tubing String

MS 2 7/8", 6.5#, J55, 18' ±
F-Nipple 2 7/8" / 1.78" ID
Tbg 2 7/8", 6.5#, J55
add pup jts for spaceout

Ignacio Perfs

2616 - 2655' - 4 spf

Cottonwood Perfs

2709 - 2718' - 4 spf
frac in 1 stage w/ 70% Q foam and 59 K #

Production Casing

8 3/4" hole
7", 20#, K55 @ 2826'
545 sxs B
TOC @ surf (circ)

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

6 1/4" hole to 2853'
Underreamed to 9"
6 1/4" hole 2853 - 2955' ±
5 1/2", 15.50#, J55,
511 Hydrill @ 2955' ±

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Avenue, Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	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 <input type="checkbox"/> AMENDED REPORT
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-24974	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 001027	⁵ Property Name Schneider Gas Com Fruitland B	
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁶ Well Number 1S
		⁹ Elevation 6063


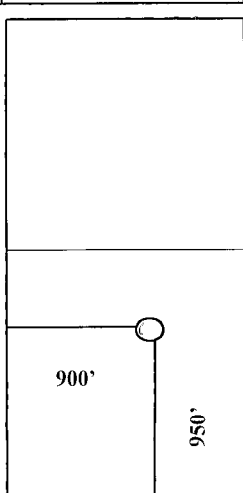
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	32N	10W		950	South	900	West	San Juan

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					

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				<div>17</div> <div>OPERATOR CERTIFICATION</div> <div><i>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.</i></div> <div><div></div><div>2/23/15</div></div> <div>SignatureDate</div> <div>Tova Colvin</div> <div>Printed Name</div> <div>Tova.Colvin@bp.com</div> <div>E-mail Address</div>
<div></div>				<div>18</div> <div>SURVEYOR CERTIFICATION</div> <div><i>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.</i></div> <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>

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

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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 30-045-24974	² Pool Code 72359	³ Pool Name Blanco Pictured Cliffs
⁴ Property Code 001027	⁵ Property Name Schneider Gas Com Fruitland B	
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	
		⁶ Well Number IS
		⁹ Elevation 6063

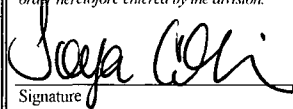
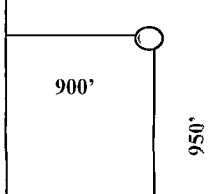
¹⁰ Surface Location

UL or lot no. M	Section 28	Township 32N	Range 10W	Lot Idn	Feet from the 950	North/South line South	Feet from the 900	East/West line West	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.

<div style="border: 1px solid black; height: 150px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; height: 150px;"></div>	<div style="border: 1px solid black; padding: 5px;"> <p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  Signature </div> <div style="text-align: center;"> 2/23/15 Date </div> </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Toya Colvin Printed Name </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Toya.Colvin@bp.com E-mail Address </div> </div>
<div style="border: 1px solid black; padding: 10px;">  </div>	<div style="border: 1px solid black; padding: 5px;"> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <div style="border-top: 1px solid black; padding-top: 5px;"> Date of Survey </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Signature and Seal of Professional Surveyor: </div> <div style="text-align: center; padding: 20px 0;"> Previously Filed </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Certificate Number </div> </div>

SENDER: COMPLETE THIS SECTION

- 1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 2. Print your name and address on the reverse so that we can return the card to you.
- 3. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dugan Production Co.
709 E. Murray Dr.
Farmington, NM 87401

2. Article Number
(Transfer from service label)

7008 1140 0001 9414 9221

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail®

☐ Priority Mail Express™

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee)

☐ Yes

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
CERTIFIED MAIL



7008 1140 0001 9414 9221
7008 1140 0001 9414 9221

U.S. Postal Service™

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

Postmark
Here

Sent To

Dugan Production Co.
Street, Apt. No.,
or PO Box No. 709 E Murray Dr.
City, State, ZIP+4
Farmington, NM 87401

PS Form 3800, August 2006

See Reverse for Instructions