

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions
listed below are made in accordance with OCD Rule 19.15.7.11
and are in addition to the actions approved by BLM on the
following 3160-4 or 3160-5 form.

Operator Signature Date: 1/8/18 Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-21789-00-00	FLORANCE R	008A	BP AMERICA PRODUCTION COMPANY	G	A	San Juan	F	I	14	30	N	9	W

Application Type:

- ☐ P&A ☐ Drilling/Casing Change ☐ Location Change
- ☒ **Recomplete/DHC** (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)
- ☐ Other:

Conditions of Approval:

- Due to no current Packer leakage tests a Mechanical Integrity test must be performed between 2682' and 4482' to ensure casing integrity.
 - Notify the agencies 24hrs prior to the MIT so it can be witnessed.

2/5/18

NMOCD Approved by Signature

Date

116

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL-CONS. DIV. DIST. 3

JAN 22 2018

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. NMSF080004

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

BP America Production Company

3a. Address 737 North Eldridge Parkway
Houston, TX 770793b. Phone No. (include area code)
(281) 892-5369

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

I-14-30N-09W 1450 FSL 1025 FEL

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

8. Well Name and No. Florance R #8A

9. API Well No. 30-045-21789

10. Field and Pool or Exploratory Area
Blanco-Mesaverde, Basin Fruitland Coal11. Country or Parish, State
Rio Arriba, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomple 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

BP requests to downhole commingle the existing Blanco-Mesaverde and Basin Fruitland Coal formations in the subject well.

The Basin Fruitland Coal (71629) and Blanco-Mesaverde (72319) interest owners are identical between these two pools, therefore notification is not required. Please see attached Land Letter.

Production is proposed to be allocated based on a fixed percentage. Allocation will be as follows: Blanco-Mesaverde= Gas 16% Oil 100%, Basin Fruitland Coal= Gas 84% Oil 0%. For allocation we performed a decline curve analysis for the MV only production and estimated December's contribution. We then did a decline curve analysis for the commingled production and got a second estimate. The MV allocation is simply MV production/total production. We then backed out the FT production by subtracting the MV from 1.

Commingling production downhole in the subject well from the proposed pools will not reduce the value of the total remaining production. Please see the attached procedure, wellbore schematics & C-102 plats. BLM notified via 3160-5 form for Federal Lease NMSF080004

Notification of this request has been sent by certified mail to NMOCD Santa Fe 01/08/2018

**BLM'S APPROVAL OR ACCEPTANCE OF THE
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS**
JAN 11 2018

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Toya Colvin

Regulatory Analyst

Title

Farmington Field Office
Bureau of Land Management

Signature

Date

01/08/2018

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

William Tambekou

Title

Petroleum Engineer

Date

1/16/2018

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

FFO

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make 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 as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD



January 08, 2018

BP America Production Co.
Lower 48 Onshore

Craig T. Ferguson
craig.ferguson@bp.com
281-892-5743 (direct)

E3, 12.173B
737 N. Eldridge Parkway
Houston, Texas 77079

RE: Florance R 008A FC/MV – Commingle Application
NESE Section 14-T30N-R09W
San Juan County, NM
API #30-045-21789

Hello:

On behalf of BP America Production Company ("BP"), operator of the Florance R 008A (FC/MV) located in a unit defined as all of W/2 Section 14 T30N R09W, San Juan County, NM. I have reviewed BP's division order records and other title records concerning the above reference well and determined the following WI interest for the Fruitland Coal and Mesa Verde formations:

<u>Company</u>	<u>WI</u>
BP America Production Cos.	50.000000%
ConocoPhillips Company	
c/o Hilcorp San Juan, LP	50.000000%
Land Department	
1111 Travis St.	
Houston, TX 77002	
Total	100.000000%

The Florance R 008A – FC/MV consists of one (1) Federal leases; SF-080004, 1/8th Royalty

Please contact me at 281-892-5743 if you have any questions concerning this topic.

A handwritten signature in black ink that reads "Craig T. Ferguson" with a long horizontal line extending to the right.

Sincerely,
Craig T. Ferguson
Land Negotiator

FLORANCE R 008A-FT/MV

API # 30-045-21789-00

Location: Unit I - Sec 14 – T30N – R09W

San Juan County, New Mexico

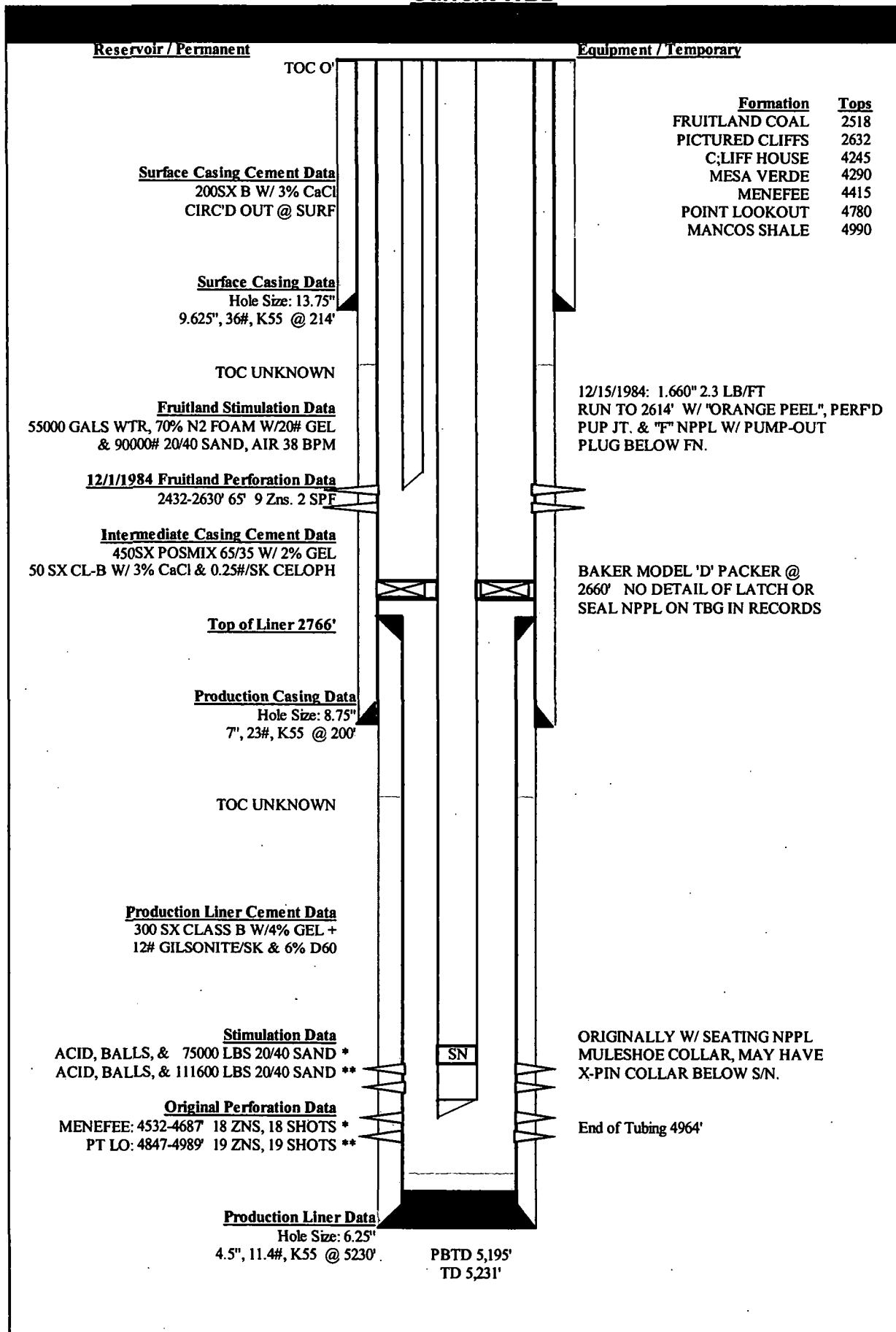
Reason/Background for Job

The proposed work is to pull the current completion, remove the existing packer, cleanout the wellbore, run tubing, pump and rods, and return the well to production as a Fruitland Coal/Mesa Verde downhole commingled well.

Basic job procedure

1. Pull Fruitland Coal tubing string
2. Pull Mesa Verde tubing string
3. Remove permanent packer
4. Cleanout the wellbore
5. Run tubing to 5050'
6. Run pump and rods
7. Return well to production as a Fruitland Coal/Mesa Verde commingled well

Current WBD

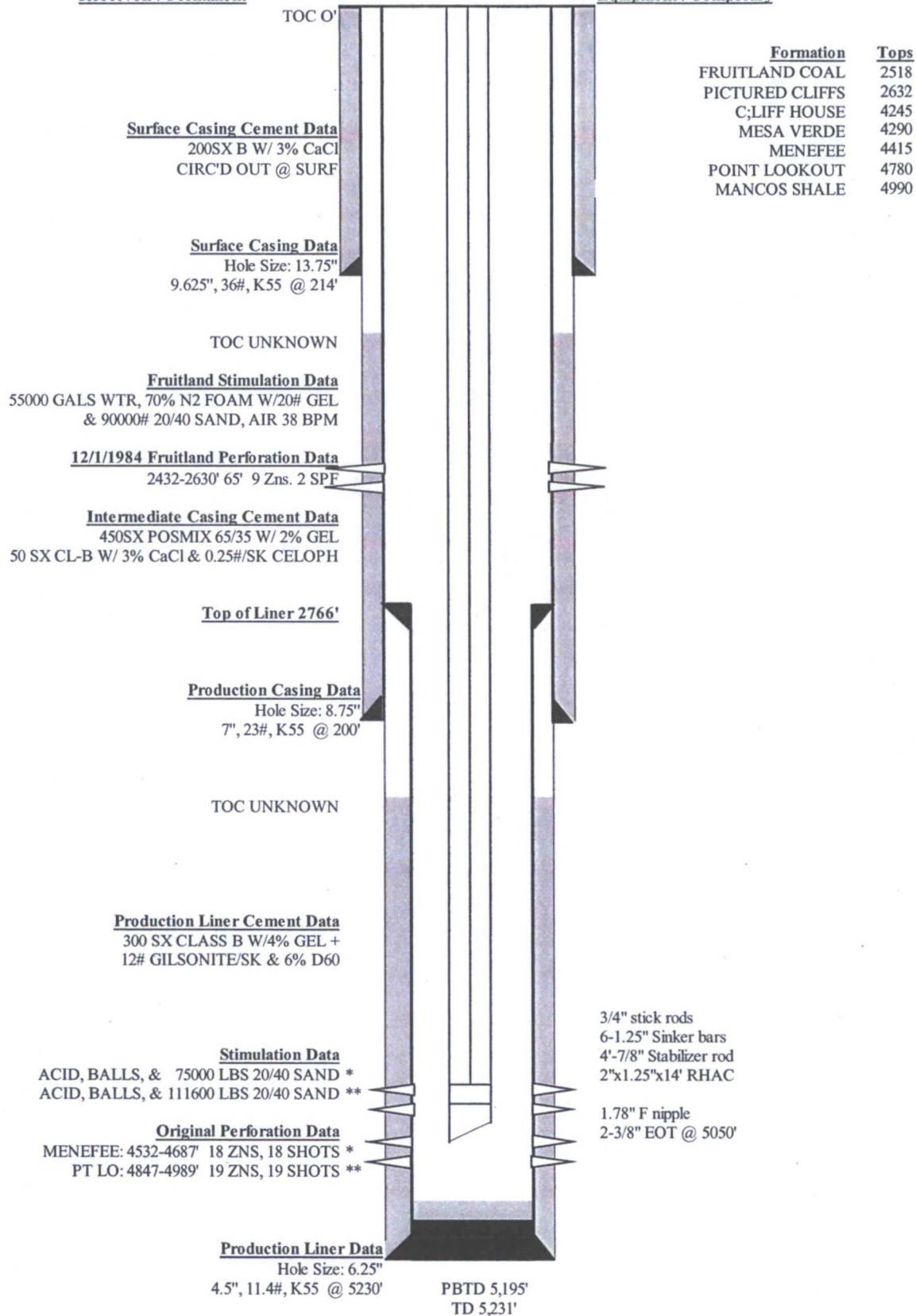


Proposed WBD

FLORANCE R 8A

Reservoir / Permanent

Equipment / Temporary



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
District IV
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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-21789	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 000548	⁵ Property Name Florance R	⁶ Well Number 8A
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 6042

¹⁰ Surface Location

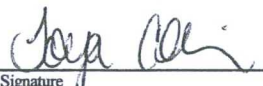
UL or lot no. I	Section 14	Township 30N	Range 09W	Lot Idn	Feet from the 1450	North/South line South	Feet from the 1025	East/West line East	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

¹⁶				¹⁷ OPERATOR CERTIFICATION <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>  1/08/2018 Signature Date Toya Colvin Printed Name Toya.Colvin@bp.com E-mail Address
				¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey Signature and Seal of Professional Surveyor: Previously Filed Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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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 30-045-21789	² Pool Code 72319	³ Pool Name Blanco-Mesaverde
⁴ Property Code 000548	⁵ Property Name Florance R	⁶ Well Number 8A
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 6042

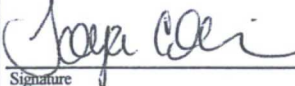
¹⁰ Surface Location

UL or lot no. I	Section 14	Township 30N	Range 09W	Lot Idn	Feet from the 1450	North/South line South	Feet from the 1025	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.						

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.

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				¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey Signature and Seal of Professional Surveyor: Previously Filed Certificate Number

MV Gas Production	Average Gas Volume
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1999

Jan	244.2580645
Feb	331.9642857
Mar	302.1935484
Apr	234.0333333
May	198.7419355
Jun	213.2413793
Jul	216.4516129
Aug	227.9677419
Sep	170.4666667
Oct	154.1290323
Nov	155.3
Dec	327.3548387

2000

Jan	270.6129032
Feb	224.8965517
Mar	257.1290323
Apr	268.9666667
May	266.6129032
Jun	250.9333333
Jul	226.6774194
Aug	201.1290323
Sep	171.1
Oct	215.4193548
Nov	280.5
Dec	245.9032258

2001

Jan	195.0645161
Feb	144.5714286
Mar	114.9677419
Apr	251.2333333
May	165.9354839
Jun	169.0666667
Jul	156.9354839
Aug	159.9

Average Gas Volume

Gas Production - MV Only



Years Date

MV Only Forecast

Qi (mcf/d)	271.41
Decline (%)	1.4%
t (months)	228
Q 2018 (mcf/d)	11.15

Formation

Percent Allocation

Mesa Verde	16%
Fruitland Coal	84%

Sep	169.1
Oct	181.9354839
Nov	166.8
Dec	231.8387097

2002

Jan	228.0967742
Feb	227.8928571
Mar	264
Apr	170.8666667
May	154.5483871
Jun	113.6333333
Jul	93.58064516
Aug	98
Sep	109.4666667
Oct	122.3870968
Nov	124.3
Dec	178.7419355

2003

Jan	118.3793103
Feb	122.75
Mar	114.0967742
Apr	121.9
May	221.2580645
Jun	173.5666667
Jul	141.8064516
Aug	111.0645161
Oct	149.3548387
Nov	145.0633333
Dec	113.3580645

2004

Jan	126.1774194
Feb	119.2793103
Mar	129.4032258
Apr	122.3033333
May	116.2225806
Jun	95.85
Jul	84.43225806
Aug	92.06774194

Sep	129.4433333
Oct	103.8354839
Nov	71.87
Dec	64.68064516
Grand Total	174.6309415

Commingled Gas Production Average Gas Volume

2005

Jan	159.8451613
Feb	276.9785714
Mar	200.3419355
Apr	231.81
May	194.8612903
Jun	184.7833333
Jul	158.6096774
Aug	191.7225806
Sep	102.0766667
Oct	274.9806452
Nov	229.7433333
Dec	173.0741935

2006

Jan	170.5032258
Feb	172.2714286
Mar	208.8451613
Apr	185.4166667
May	152.2290323
Jun	141.4966667
Jul	99.20645161
Aug	139.7645161
Sep	141.6133333
Oct	148.3903226
Nov	119.38
Dec	142.2870968

2007

Jan	153.0806452
Feb	111.725
Mar	165.1064516
Apr	143.2466667
May	160.0064516
Jun	141.3566667
Jul	152.2451613
Aug	132.9451613
Sep	151.11

Average Gas Volume

Gas Production - Surface Commingled



Commingled Forecast

Qi (mcf/d)	148.74
Decline (%)	0.5%
t (months)	156
Q 2018 (mcf/d)	68.18

Oct	137.1290323
Nov	162.1133333
Dec	92.64193548

2008

Feb	178.2275862
Mar	202.3935484
Apr	156.3366667
May	140.8129032
Jun	120.4366667
Jul	138.4741935
Aug	134.6129032
Sep	141.12
Oct	146.9516129
Nov	148.2133333
Dec	128.8387097

2009

Jan	121.4193548
Feb	96.71428571
Mar	117.516129
Apr	123.4
May	105.2580645
Jun	105.3666667
Jul	94.4516129
Aug	107
Sep	110.8
Oct	106.5806452
Nov	90.6
Dec	133.0322581

2010

Jan	71.64516129
Feb	111.2142857
Mar	101.5806452
Apr	100.7
May	87.29032258
Jun	57.66666667
Jul	58.64516129
Aug	93.4516129
Sep	84.33333333
Oct	104.2580645

Nov	107.4333333
Dec	103.0645161
2011	
Jan	5.387096774
Mar	96.93548387
Apr	106.8333333
May	92.25806452
Jun	68.3
Jul	79.77419355
Aug	94.93548387
Sep	84.66666667
Oct	103.1612903
Nov	99.73333333
Dec	96.06451613
2012	
Jan	94.96774194
Feb	92.65517241
Mar	79.61290323
Apr	83.73333333
May	67
Jun	63.53333333
Jul	84.06451613
Aug	76.22580645
Sep	82.73333333
Oct	80.58064516
Nov	77.96666667
Dec	40.48387097
2013	
Jan	0.774193548
Feb	1.964285714
Mar	54.64516129
Apr	125.1
May	79.4516129
Jun	81.6
Jul	87.48387097
Aug	86.51612903
Sep	89.6
Oct	77.90322581
Nov	51.7

Dec	93.61290323
2014	
Jan	84.51612903
Feb	84.78571429
Mar	
Apr	76.56666667
May	72.22580645
Jun	70.4
Jul	73.03225806
Aug	74.90322581
Sep	71.8
Oct	83.38709677
Nov	136.4333333
Dec	152.0645161
2015	
Jan	97.12903226
Feb	128.2142857
Mar	133.3870968
Apr	141.8666667
May	131.4516129
Jun	70.1
Jul	133.6451613
Aug	150.4516129
Sep	15.66666667
Oct	28.29032258
Nov	16.96666667
Dec	42.29032258
2016	
Jan	39.03225806
Feb	108.6206897
Mar	13.48387097
Apr	90.53333333
May	66.96774194
Jun	94.03333333
Jul	200.2903226
Aug	265.3225806
Sep	223.6
Oct	143.8387097
Nov	179.4333333
Dec	145.2903226

2017	
Jan	86.48387097
Feb	84.17857143
Mar	141.3225806
May	112.5806452
Jun	131.4
Jul	67.35483871
Aug	70.61290323
Sep	70.76666667
Oct	111.4193548
Nov	141.3
Dec	66
Grand Total	113.4692779