

May 27, 2004

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM

87505

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

WELL API NO.

30-045-33815

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Martinez Gas com J

8. Well Number

1 N

9. OGRID Number

000778

10. 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 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

P.O. BOX 3092 HOUSTON, TX 77079-2064

4. Well Location

Unit Letter L : 1860 feet from the South line and 1090 feet from the West line
Section 32 Township 32N Range 10W NMPM SAN JUAN County

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

6093'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: DOWNHOLE COMMINGLING

☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On 06/22/2006 BP America Production Company submitted an application for permit to drill and complete the subject well into the Basin Dakota; produce the well in order to establish a production rate, isolate the zone, then add the Blanco Mesaverde and commingle production Downhole. APD was approved 6/26/2006. BP now seeks NMOCD approval to Downhole commingle production in the subject well as per procedure on 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 interest, royalty & overriding owners are the same in both the Dakota & Mesaverde. Therefore, no notification of this application is necessary.

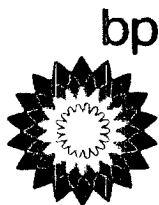
Production is proposed to be based on a fixed percentage. We will complete in the Basin Dakota Pool, isolate the Dakota; complete into the Blanco Mesaverde, establish a production rate; drill out the bridge plug and commingle production downhole. The deliverability test will be performed on the combined zones and MV rate will be subtracted from the total well stream to establish the DK rate.

Commingling Production Downhole in the subject well from the proposed pools will not reduce the value of the total remaining production. **THE NEW MEXICO STATE LAND OFFICE IS BEING NOTIFIED BY COPY OF THIS APPLICATION.**I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.SIGNATURE Cherry Hlava TITLE Regulatory Analyst DATE 11/02/2005Type or print name Cherry HlavaE-mail address: hlavac1@bp.comTelephone No. 281-366-4081

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 09 DATE JUL 24 2006

1. Run TDT/CBL
2. Perforate DK
3. Frac the DK (Slick Water)
4. RU SU. Clean out DK frac, perform flow test, collect DK gas sample, and obtain 12-hour BHPBU
5. Set bridge plug to isolate MV from DK formation
6. Perforate and frac (2- Stage N2 Foam) the MV Formation
7. Clean out MV frac, perform flow test for production allocation and collect MV gas sample
8. Drill out isolation plug, commingle MV/DK and clean out wellbore to PBTD.
9. Run completion string. RDSU
10. Put well on Line



BP America Production Company

Cherry Hlava
Regulatory Analyst

501 Westlake Park Boulevard, Rm 19.178
Houston, Texas 77079

July 18, 2006



Re: Martinez Gas Com J 1N
API 30-045-33815

Steve,

This DHC application is basically the same as what you approved for the Martinez Gas Com J 1M on 11/70/5 (DHC 2039AZ). This is the well we had to Re-permit because we moved the surface location 5' & plugged the surface casing.

Sincerely,

Cherry Hlava
Cherry Hlava