

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0135
Expires July 31, 2010

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 NMSE-079319
6	If Indian, Allottee or tribe Name RCUD OCT 23 '08
7	If Unit or CA/Agreement, Name and/or No OIL CONS. DIV.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. DIST. 3 Schwerdtfeger A 2E
2. Name of Operator BP America Production Company Attn: Kristen Holder	9. API Well No 30-045-25498
3a. Address P.O. Box 3092 Houston, TX 77253	10. Field and Pool, or Exploratory Area Otero Chacra
3b. Phone No. (include area code) 281-504-0921	11. County or Parish, State San Juan, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T 28 N R 08 W 1520' FSL 1025' FWL	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR 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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other
			DHC Otero Chacra

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 recompleat 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall 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 respectfully request permission to complete into the Otero Chacra (82329) formation and downhole commingle with the existing Dakota formation. The Dakota (71599) & Chacra (82329) are Pre-Approved pools for downhole commingling per NMOCD order R-11363. The working and overriding royalty interest owners in the proposed pools are identical and therefore no further notification is required.

Production is proposed to be allocated based on the subtraction method using the projected future decline for production from the Basin Dakota. That production shall serve as a base for production subtracted from the total production for the commingled well. The balance of the production will be attributed to the Chacra. The DK decline will be filed with the subsequent sundry.

Commingling production downhole in the subject well from the proposed pools will not reduce the value of the total remaining production.

DHC 2944AZ

14. I hereby certify that the foregoing is true and correct Name (Printed/typed) Kristen Holder	Title Regulatory Analyst
Signature <i>Kristen Holder</i>	Date 10/8/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title Petr. Eng.	Date 10/23/08
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	

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.

NMOCB

District I

1625 N French Dr., Hobbs, NM 88240
Phone (505) 393-6161 Fax (505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone (505) 748-1283 Fax (505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3470 Fax (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102
Permit 83074

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 82329	3 Pool Name OTERO CHACRA (GAS)
4 Property Code 1031	5 Property Name SCHWERTFEGER A	6 Well No 002E
7 OGRID No 778	8. Operator Name BP AMERICA PRODUCTION COMPANY	9. Elevation

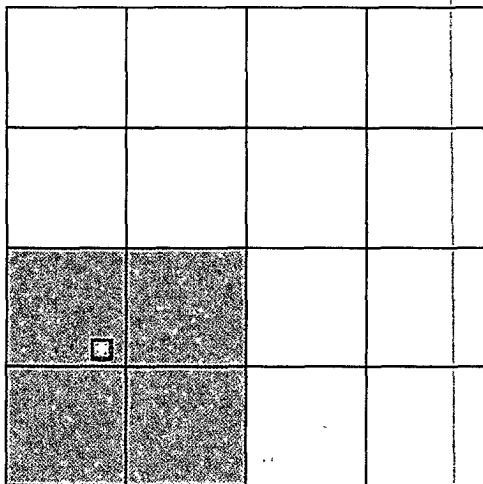
10. Surface Location

UL - Lot L	Section 31	Township 28N	Range 08W	Lot Idn	Feet From 1520	N/S Line S	Feet From 1025	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12 Dedicated Acres 137.59	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



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(s) 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

E-Signed By: *Kristin Bolden*
Title: *Regulatory Analyst*
Date: *10-8-2008*

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.

Surveyed By: *Fred Kerr Jr.*
Date of Survey: *9/1/1981*
Certificate Number: *3950*

SJ Basin Well Work Regulatory Procedure

Well Name: Schwerdtfeger A 2E
API #: 30-045-25498
Location: T28N-R08W-Sec31
Engr: Matt Mientka (Phone 281.366.5721)
Date: October 3, 2008

Objective: Recomplete well to include Chacra formation and downhole commingle Chacra and Dakota.

1. TOH with completion.
2. Run CBL log.
3. Perforate and frac Chacra
4. Clean out to TD and land tubing.
5. Return well to production, downhole commingle Chacra and Dakota

Well History:

This well has been producing from the Dakota since 1982. The 2-3/8" tubing is landed at 7060' and the well is currently running with a plunger. Today the well produces approximately 100 mcf/d.

The objective is to recomplete this well to include the Chacra horizon and commingle the production with the existing Dakota horizon. The job scope is to perforate and fracture stimulate the Chacra formation, clean out to TD, and commingle production after performing a 24 hour test on the Chacra. The anticipated uplift is 200 mcf/d. A cast iron bridge plug will be set at 4000' to isolate the Dakota and Mesa Verde throughout the recomplete.

Notes :

Casing data : 7" K-55 intermediate casing @ 3100', Burst 3740 psi (75% burst = 2805 psi). 4 1/2" production liner @ 2939' - 7193', 10.5#, K-55 ST&C; Burst 4790 psi (75% burst = 3592 psi). PBSD: 6530'

Vertical well

Well site will require inspection and possible clearing for rig and fracture treatment

Isolation tool (stinger) required for stimulation treatment

Procedure:

1. Perform pre-rig site inspection. Check for: size of location, Gas Taps, other wells, other operators, running equipment, wetlands, wash (dikes req.), H2S, barriers needed for equipment, Landowner issues, location of pits (buried lines in pits), Raptor nesting, critical location, check anchors. Check ID wellhead, if earth pit is required have one made, call 48 hours prior to digging.
2. Perform second site visit after lines are marked to ensure all lines clear marked pit locations. Planning and Scheduling to ready location for rig.

3. RU slickline unit or wireline unit. Pressure test lubricator and equipment. RIH and set **two** barriers (CIBP, tbg collar stop w/plug, or plug set in nipple) for isolation in tubing string.
4. Check and record tubing, casing, and bradenhead pressures. Ensure production casing has double casing valves installed. Double valve all casing strings.
5. MIRU workover rig. LO/TO all necessary equipment including but not limited to: meter run, Automation, Separators and water lines.
6. Blow down well. Kill with 2% KCL water ONLY if necessary.
7. Check all casing strings to ensure no pressure exist on any annulus. **The operations of removal of wellhead and installation of BOP's will be performed under a dispensation for one (1) barrier on the backside.**
8. Nipple down Wellhead. NU BOP's and diversion spool with 3" outlets and 3" pipe to the blow tank. Pressure test BOP's to 200 psi above BHP. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover.
9. Install stripping rubber, pull tubing hanger up above pipe rams, and shut pipe rams. Remove stripping rubber. Strip tubing hanger out of hole. Re-install stripping rubber.
10. TOH with 2-3/8" production tubing currently set at 7060'. Using approved "Under Balance Well Control Tripping Procedure". Visually inspect tubing while POOH, note any signs of pitting or corrosion and please document with pictures. Measure tubing out of hole. Recover isolation plugs from tubing.
11. PU and TIH with bit and 4 1/2" scraper. Check the distance between the top of the blind rams and the length of the bottom hole assembly that is being run. If the BHA is too long then the well has to be top killed and monitored prior to opening blind rams. POOH. Lay down 4 1/2" bit and scraper.
12. Pick up CIBP and 4-1/2" packer. TIH with plug and packer. Set plug at +/- 4000'. Pressure test bridge plug to ensure it is holding. Fill casing w/ 2% KCl. Set packer above plug and ensure it is holding. Test plug and casing above plug to 3200psi (~1500 @ surface).
13. Pressure test backside to 2800 psi @ TOL (~1500 psi @ surface).
14. RU E-line unit and equipment. Test lubricator and equipment.
15. **Log well w/ CBL from 4000' to surface.** Contact engineer after determining TOC in 4-1/2" liner to discuss perforation placement or need for remedial cement squeeze if cement coverage is inadequate for the pay-add or if integrity of casing appears sub-par. Transmit log data to Matt Mientka at matt.mientka@bp.com and Mark Durio at mark.durio@bp.com and please call to confirm at 281-366-5721.
16. If good cement is in place behind 4 1/2" casing, prepare for explosive operations. Follow Schlumberger Explosive SOP including radio silence, suspension of welding operations, and isolation of electrical devices from the work area. Perform Pre-job Safety Meeting to review JSA and procedures. If someone has On Star on their vehicle they cannot enter closer than 300 feet. On Star cannot be turned off. PLEASE take special caution. This is

in conjunction with all cell phones, pagers, radios and any electronic device that transmits a signal.

17. RIH with **3-1/8" HEG casing gun with 3 SPF 120 Degree Phasing** and perforate Chacra formation.


NOTE: Verify final perf intervals with engineer/geologist.

POOH with perforating guns.

18. Hold Risk Assessment (JHA) meeting prior to initiating pumping services. If casing is in good shape, frac stimulation will be pumped down the casing.
19. RU 10,000 psi frac isolation equipment (Stinger Isolation Tool).
20. RU frac equipment. **NOTE:** Frac tanks should be filled with fresh water, the KCl will be added on the fly.
21. Pressure test iron to Stinger frac valve at 5000 psi for 10 minutes. Function test treating line check valve during the prime and pressure test operation.
22. The frac is expected to pump at approximately 3000 psi. Maximum allowable treating pressure will be **3200 psi**.
23. Install and monitor production casing and treating pressure during entire job in frac van via pressure transducers on production casing and treating line. Be sure to monitor the casing annulus pressure throughout the duration of stimulation treatment.
24. Proceed with fracture stimulation according to Service Company schedule.
25. Flowback frac immediately. Flow well through choke manifold on 1/8", 1/4", 1/2" and 3/4" chokes slowly increasing drawdown until well dies or stabilizes. This is to aid in reducing sand flowback. Recommend 8 hours of flow for each choke size.
26. Rig up air package/unit, pressure test all lines (Testing procedure to be supplied from air company).
27. TIH with 2-3/8" tubing with notched collar (muleshoe) and float check valve.
28. Clean fill to CIBP set at 4000'
29. POOH with tubing and float.
30. RIH with tubing and wireline retrievable pump through plug. Hang off tubing at 3300'. Retrieve plug.
31. Flow test the Chacra for 24 hrs for regulatory, allocation, and deliverability purposes.
32. POOH with tubing.
33. TIH w/ tubing and bit for 4-1/2" casing. Drill out CIBP set at 4000'. Cleanout to PBTD at 7173'. Blow well dry.

34. RIH with 2-3/8" production tubing (with wireline entry guide, F-nipple with plug, 4 ft pup, X-nipple with plug).
35. Land 2-3/8" production tubing at +/- 7100' or depth determined from logs. Lock down 2-3/8" tubing hanger and bonnet. *verify final tubing depth with engineer.
36. Pressure test tubing to 500 psi with air unit, make sure tubing spool valves are open. Care should be taken during pressure testing of the tubing due to potential problem caused if tubing parts close to surface or above the hanger. Check all casing string for pressure. **The operations of removal of BOP's and installation of wellhead will be performed under a dispensation for one (1) barrier on the backside.**
37. ND BOP's. NU Wellhead. During Master valve placement ensure the top of hanger has spacer nipple in place to bottom of bonnet flange so plunger equipment will not hang up through tree. Pressure test Wellhead.
38. RU WL unit. Broach tubing for 2 3/8" plunger. Pull plugs. Set tubing stop for plunger and communicate plunger equipment status to IC room personnel.
39. RD WL unit.
40. Test well for air. Hook up well to surface facilities and return well to production and downhole commingle Chacra, Mesa Verde, and Dakota.

Wellbore Diagram:

																				
WELL NAME: Schwerdtfeger A 2E																				
LOCATION: 1520' FSL 1025' FWL																				
SEC/TWN/RNG: 31 T28N R8W																				
COUNTY, ST: San Juan Co., NM																				
WELL TYPE: Gas																				
BP WI: 100.0% NRI: 67.5%																				
<div style="display: flex; justify-content: space-around;"> BCPD BWPD MCFD </div>																				
DK IP MV IP																				
INTERMEDIATE CASING DESIGN																				
7"																				
K-55 20#/ft																				
SET @ 2601'																				
1st Stg CEMENT 295 Cu. Ft. Howco lte w/ 2% CaCl																				
TAIL IN W/ 118 Cu. Ft. cement w/ 2% CaCl																				
TOC 750'																				
Det. By Temp surv																				
PRODUCTION LINER DESIGN																				
4 1/2"																				
97 jnts K-55 ST&C 10.5#																				
5 jnts K-55 LT&C 11.6#																				
SET @ 7193'																				
CEMENT W/ 400 sx Howco lte																				
TAIL IN W/ 150 sx Class 'B'																				
CMT TOP @ liner top?																				
DETER. BY calc estimate																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>PERF. DATA:</th> <th>SPF</th> <th>FORM.</th> </tr> </thead> <tbody> <tr> <td>1 7014' - 7038'</td> <td>1</td> <td>Dakota</td> </tr> <tr> <td>1 7099' - 7107'</td> <td>2</td> <td>Dakota</td> </tr> <tr> <td>1 7117' - 7122'</td> <td>2</td> <td>Dakota</td> </tr> <tr> <td>1 7141' - 7144'</td> <td>2</td> <td>Dakota</td> </tr> <tr> <td>1 7154' - 7158'</td> <td>2</td> <td>Dakota</td> </tr> </tbody> </table>			PERF. DATA:	SPF	FORM.	1 7014' - 7038'	1	Dakota	1 7099' - 7107'	2	Dakota	1 7117' - 7122'	2	Dakota	1 7141' - 7144'	2	Dakota	1 7154' - 7158'	2	Dakota
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TUBING DATA																				
2 3/8" N-80																				
SET @ 7060'																				
PACKER																				
S.N ID / @ ID = 1.875 @ 7179.5' (RN nipple)																				
ID = 1.780" @ 7184' (F Nipple)																				

SPUD DATE: 11/19/82

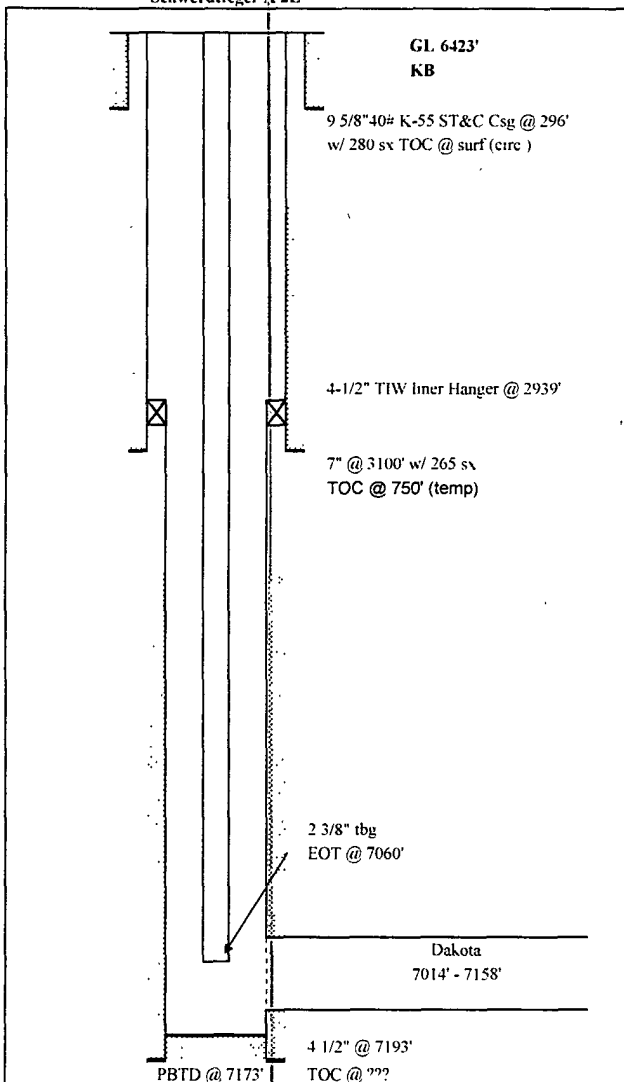
RIG REL: 11/30/82

COMP DATE: 12/13/82

FORMATION: Dakota

API#: 30-045-25498

Schwerdtfeger A 2E



GL 6423'
KB

9 5/8" 40# K-55 ST&C Csg @ 296'
w/ 280 sx TOC @ surf (circ)

4-1/2" TIW liner Hanger @ 2939'

7" @ 3100' w/ 265 sx
TOC @ 750' (temp)

2 3/8" tbg
EOT @ 7060'

Dakota
7014' - 7158'

4 1/2" @ 7193'
TOC @ ???

PBTD @ 7173'

FRAC JOB: (1) - 60,000 gal 40# XL gel w/ 89,000# sand 58 BPM @ 2200psi
 ISIP 2250psi, 15min SIP, 1630psi

Prepared By: Matt Mientka

Date: 3-Sep-08

BLM CONDITIONS OF APPROVAL

CASING REPAIR, WORKOVER AND RECOMPLETION OPERATIONS:

- 1. If casing repair operations are needed, obtain prior approval from this office before commencing repairs.**
- 2. A properly functioning BOP and related equipment must be installed prior to commencing casing repair, workover and/or recompletion operations.**
- 3. If this well is in a Seasonal Closure Area, adhere to closure stipulations.**

SURFACE USE OPERATIONS:

The following Stipulations will apply to this well unless a particular Surface Managing Agency or private surface owner has supplied to BLM and operator a contradictory environmental stipulation. The failure of operator to comply with these requirements may result in assessments or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on location during construction, drilling and reclamation activity.

An agreement between operator and fee landowner will take precedence over BLM surface stipulations unless (in reference to 43 CFR Part 3160) 1) BLM determines that operator's actions will affect adjacent Federal or Indian surface, or 2) operator does not maintain well area and lease premises in a workmanlike manner with due regard for safety, conservation and appearance, or 3) no such agreement exists, or 4) in the event of well abandonment, minimal Federal restoration requirements will be required.

STANDARD STIPULATIONS: All surface areas disturbed during work-over activities and not in use for production activities will be reseeded. This should occur in the first 90 days after completion of work-over activities.

SPECIAL STIPULATIONS:

- 1. Pits will be fenced during work-over operation.**
- 2. All disturbance will be kept on existing pad.**
- 3. All pits will be pulled and closed immediately upon completion of the work-over activities.**
- 4. Pits will be lined with an impervious material at least 12 mils thick.**