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NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



APR 05 2005

OIL CONSERVATION
DIVISION

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
 - [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
 - [B] Offset Operators, Leaseholders or Surface Owner
 - [C] Application is One Which Requires Published Legal Notice
 - [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mary Corley
Print or Type Name

Mary Corley
Signature

Sr. Regulatory Analyst 04/01/2005
Title Date

corleym@bp.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15,

2000

District II
811 South First Street, Artesia, NM 88210

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
Establish Pre-Approved

District III
1000 Rio Brazos Road, Aztec, NM 87410

Pools

District IV
2040 South Pacheco, Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
 Yes No

DHC-343H

BP America Production Company P. O. Box 3092 Houston, TX 77253

Operator **Jones LS** Address **Unit J Section 35 T29N, R08W** County **San Juan**
Lease **1A** Well No. **000762** Unit Letter-Section-Township-Range **30-045-22833** Property Code **000778** Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Pictured Cliffs	Blanco Chacra <i>WATER</i>	Blanco Mesaverde
Pool Code	72359 ✓	02329 <i>96545</i>	72319 ✓
Top & Bottom of Pay Section (Perforated or Open-Hole Interval)	2574' - 2692'	To Be Determined	4098' - 5202'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Flowing	Artificial Lift
Bottomhole Pressure	475	430	480
Oil Gravity or Gas BTU (Degree API or Gas BTU)	950	1230	950
Producing, Shut-In or New Zone	Producing	New Zone	Producing
Date and Oil/Gas/Water Rates of Last Production.	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage	Oil % Gas %	Oil % Gas %	Oil % Gas %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Mary Corley* TITLE **Sr. Regulatory Analyst** DATE **04/01/2005**

TYPE OR PRINT NAME **Mary Corley** TELEPHONE NO. (**281**) **366-4491**

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-22833		² Pool Code 82329		³ Pool Name Otero Chacra	
⁴ Property Code 000762		⁵ Property Name Jones LS			⁶ Well Number 1A
⁷ OGRID No. 000778		⁸ Operator Name BP America Production Company			⁹ Elevation 5980' GR

¹⁰ Surface Location

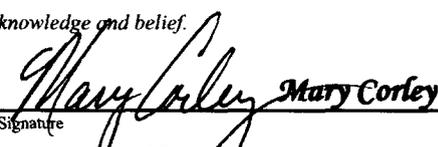
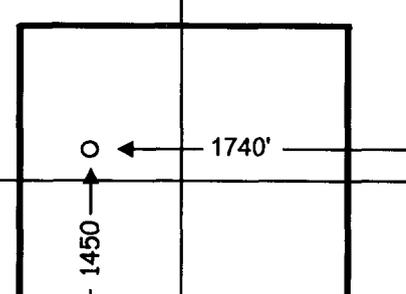
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet from	East/West	County
J	35	29N	08W		1450	South	1740	East	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet	East/West	County

¹² Dedicated Acres 160	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

					¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>		
					 Signature Mary Corley Printed Name Sr. Regulatory Analyst Title 4/1/2005 Date		
						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 11/19/1977 Signature and Seal of Professional Surveyor: Fred B Kerr 3950 Certificate Number	

Allocation Method
Jones LS 1A

BP America Production Company request permission to complete the subject well into the Otero Chacra and tricomingle production downhole with the existing Blanco South Pictured Cliffs and Blanco Mesaverde Pools as per the attached procedure.

The interest owners are identical between these three Pools, therefore, no additional notification is required prior to downhole commingling approval.

Production is proposed to be allocated based on a fixed percentage. Each zone will be tested to determine the percentage of the whole to be allocated to each zone. A test will be performed on the Mesaverde prior to initiating the recompletion into the Chacra. Upon completion into the Chacra a combined test will be performed on both the Chacra and the Pictured Cliffs then the Pictured Cliffs will be isolated from the Chacra and the Chacra will be tested to determine the volume to be attributed to the Pictured Cliffs.

Commingling Production Downhole in the subject well from the proposed pools with not reduce the value of the total remaining production.

Application has also been submitted to BLM on Form 3160-5, Federal Lease No. SF – 03549.

Pre Approved Pools:

Blanco-Mesaverde (72319) & Blanco-Pictured Cliffs (72359) Pools

Blanco-Mesaverde (72319) & Otero-Chacra (82329) Pools

Blanco-Pictured Cliffs (72359) & Otero-Chacra (82329) Pools

Jones LS 1 A
Procedure to Complete into the Chacra & DHC with Mesaverde & Pictured Cliffs
March 9, 2005

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 Call made 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 strings.
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 BOPs and diversion spool with 3" outlets and 3" pipe to the blow tank. Pressure test BOPs to 200 psi above BHP. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover.
9. Install stripping rubber.
10. TOH and LD 1-1/4" production tubing currently set at 2712'. Using approved "Under Balance Well Control Tripping Procedure".
11. TOH w/ packer and 2-3/8" production tubing currently set at 5137'. Using approved "Under Balance Well Control Tripping Procedure".
12. TIH w/ scraper for 4-1/2". 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. RIH to PBTD at 5,206'. POOH.
13. Set bridge plug at 4,000'. Fill casing to PC w/ 2%KCl.
14. RU E-line equipment. Pressure test lubricator and equipment. Log well w/ CBL from PBTD to TOL. If TOC is below Chacra, contact engineer to discuss need for remedial cement squeeze.

15. TIH w/ workstring and blow well dry.
16. 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.
17. RIH with 3-1/8" casing guns w/lubricator. Perforate Chacra formation w/ 4 SPF.
18. RIH w/ packer and 3-1/2" by 2-7/8" frac string. Set packer at 2,800'.
19. Install and monitor production casing and treating pressure during entire job in frac van via pressure transducers on production casing and treating line. Spearhead 500 gal 15% HCL, establish injection rate, and proceed with fracture stimulation according to Schlumberger schedule. Maintain surface pressures, less than 5,000 psi during frac job. Flush frac with foam. Fill out GWSI scorecard.
20. Flowback frac immediately. Flow well through choke manifold on 1/4", 1/2" and 3/4" chokes increasing drawdown until well dies or stabilizes. This is to aid in reducing sand flowback. Recommend 8 hours of flow for each choke size.
21. Rig up air package/unit, pressure test all lines (Testing procedure to be supplied from air company), TIH with tubing and bit for 4-1/2" casing. Cleanout fill to top of BP set at 4,000'. **Perform well test on Chacra for regulatory and document well test in DIMS.**
22. Cleanout fill and BP set at 4,000'. Cleanout to PBSD at 5,206'. Blow well dry.
23. Rabbit tubing and RIH with 2-3/8" production tubing (with muleshoe, F-nipple with plug, 4 ft pup, X-nipple with plug).
24. Land 2-3/8" production tubing at +/-5,150'. Lock down hanger.
25. 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 wellhead and installation of BOP's will be performed under a dispensation for one (1) barrier on the backside.**
26. 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.
27. RU WL unit. Run gauge ring for 2-3/8" tubing. Pull plugs and set tubing stop for plunger. Communicate plunger equipment status to IC room personnel.
28. RD slickline unit.
29. Test well for air. Return well to production and downhole tri-mingle PC, Chacra and Mesaverde.

Jones LS 1 A

Sec 35, T29N, R8W

API # 30-045-22833

GL: 5980'

History:

Completed as MV in 7/78

Pictured Cliffs Perforations

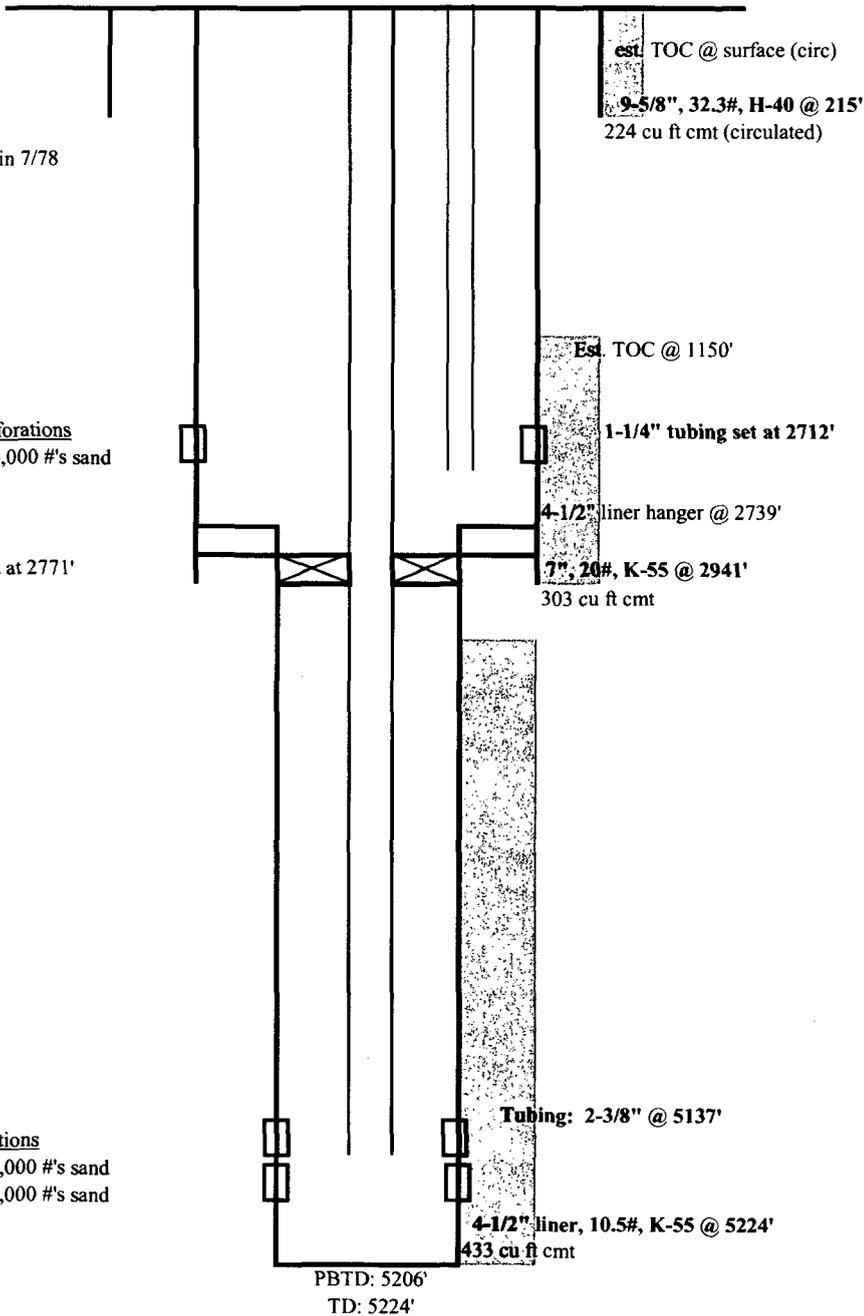
2574' - 2692' w/ 54,000 #'s sand

Packer w/ PBR set at 2771'

Mesaverde Perforations

4098' - 4616' w/ 83,000 #'s sand

4770' - 5202' w/ 68,000 #'s sand



updated: 3/9/05 CFR