1/18/06

pWVJ 0602032898

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

2000
District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

Pools
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15,

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE
X Single Well
___ Establish Pre-Approved

EXISTING WELLBORE
X Yes ___ No

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-3612

BP America Production Company Operator — **P. O. Box 3092 Houston, TX 77253** Address

Bolack E 1M Lease — **Unit I Section 33 T28N, R08W** Well No. / Unit Letter-Section-Township-Range — **San Juan** County

OGRID No. **000778** Property Code **000329** API No. **30-045-29251** Lease Type: **X** Federal ___ State ___ Fee

DATA ELEMENT	UPPER ZONE UNDES	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Otero Chacra	Blanco Mesaverde	Basin Dakota
Pool Code	82329	72319	71599
Top & Bottom of Pay Section (Perforated or Open-Hole Interval)	To Be Determined	3802' – 4550'	6494' – 6612'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure	Send after Perforating	430	590
Oil Gravity or Gas BTU (Degree API or Gas BTU)		950	950
Producing, Shut-In or New Zone	New Zone	Producing	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 X 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 X No ___

Will commingling decrease the value of production? Yes ___ No X

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 X 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 **01/12/2006**

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

Bolack E 1M
Recomplete to Otero Chacra & DHC Chacra, Mesaverde, & Dakota
December 20, 2005

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 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 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 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, 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 and LD 1.9" production tubing currently set at 4440'. Using approved "Under Balance Well Control Tripping Procedure".

11. TIH w/ scraper for 3-1/2". 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 +/4,440'. POOH.

12. Set bridge plug at 4,000'. Fill casing w/ 2%KCl and test to 2,500 psi w/ rig pumps.

13. 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. Meeting should

address the VDR (vehicle data recorder) System that Bp people have installed on their vehicles. They must be shut off at the 300 foot sign by hitting 00 and then the enter button, and then wait for about 5 minutes for the unit to turn off. When the green light goes out, call the control center at 326-9475. This number is on a pickup list in the Optimizer room and should be your first point of contact followed by the front desk then the weekend pager. Verify the unit is not transmitting. You then can drive to location and park, but do not to exceed 10 Miles/hr. Note: 20 MPH will turn unit back on. If someone has On Star on their vehicle they cannot enter closer than 300 foot. On Star cannot be turned off. PLEASE take special caution. This is in conjunction with all cell phones, pagers, radios and any electronic devise that transmits a signal.

14. RIH with 2-1/2" casing guns w/lubricator. Perforate Chacra formation:

15. NU Frac isolation equipment. 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 3,000 psi during frac job. Flush frac with foam. Fill out GWSI scorecard.

16. Flowback frac immediately. Flow well through choke manifold on ¼", ½" and ¾" 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.

17. Rig up air package/unit, pressure test all lines (Testing procedure to be supplied from air company), TIH with tubing and bit for 3-1/2" casing. Cleanout fill to CIBP set at 4,000'. **Perform well test on Chacra for regulatory and document well test in DIMS. Notify Mary Corley (281-366-4491) when well test information is in DIMS.**

18. Cleanout fill and CIBP set at 4,000'. Drill out CIBP set at 5000'. Cleanout to PBTD at +/- 6,662'. Blow well dry.

19. Rabbit tubing and RIH with 1.9" production tubing

20. Land 1.9" production tubing at +/-6550'. Lock down hanger.

21. 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.**

22. ND BOP's. NU Wellhead. Pressure test Wellhead.

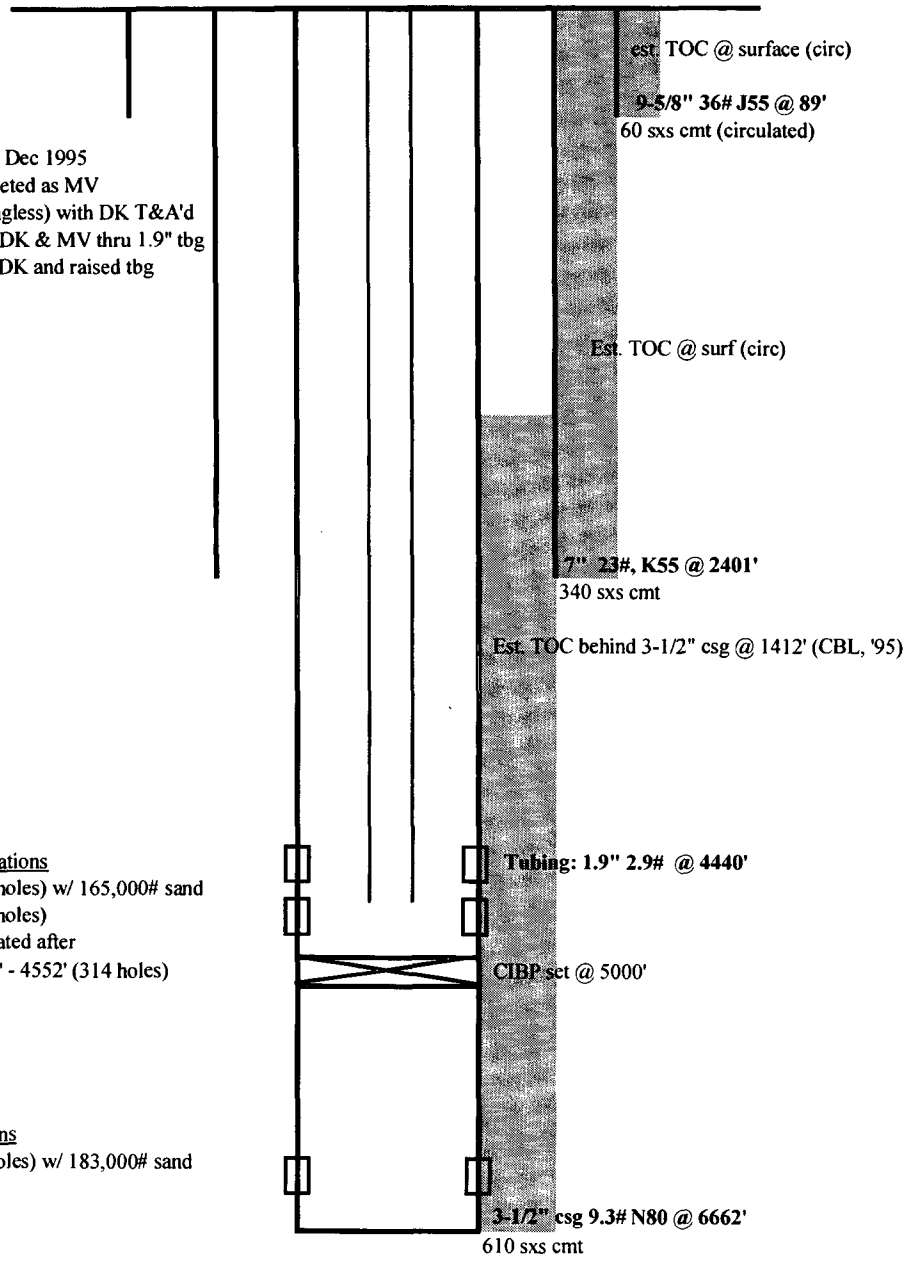
23. Test well for air. Return well to production and downhole co-mingle Chacra and Mesaverde.

Bolack E #1M

Sec 33, T28N, R8W

API # 30-045-29251

GL: 5841'



History:
Completed well in Dec 1995
- Originally completed as MV single well(tubingless) with DK T&A'd
Feb 1996: DHC'd DK & MV thru 1.9" tbg
Oct 1996: T&A'd DK and raised tbg

Mesaverde Perforations
3802' - 4152' (18 holes) w/ 165,000# sand
4248' - 4550' (15 holes)
- interval reperforated after fracturing: 3802' - 4552' (314 holes)

Dakota Perforations
6494' - 6612' (9 holes) w/ 183,000# sand

NOTES:

1) Well was converted back to a MV single well in Oct 1996 due to sand bridging between the 3-1/2" csg and the 1.9" tbg

updated: 2/5/03 jad

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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	[2] Pool Code	[3] Pool Name
30-045-29251	82329	Otero Chacra

[4] Property Code	[5] Property Name	[6] Well Number
000329	Bolack E	1M

[7] OGRID No.	[8] Operator Name	[9] Elevation
000778	BP America Production Company	

[10] Surface Location

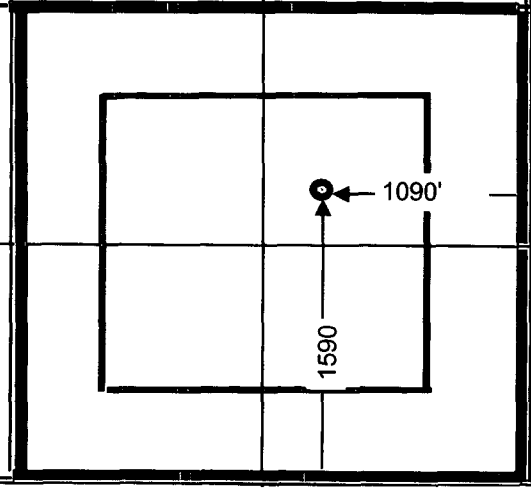
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet from	East/West	County
I	33	28N	08W		1590	South	1090	East	San Juan

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160			

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

Signature: Mary Corley

Printed Name: Mary Corley

Title: Sr. Regulatory Analyst

Date: 1/12/2006

[18] 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.

Date of Survey: 3/9/1995

Signature and Seal of Professional Surveyor:

Gary Vann 7016

Certificate Number

Allocation Method
Bolack E 1M

BP America Production Company request permission to complete the subject well into the Otero Chacra and tricommingle production downhole with the existing Basin Dakota 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 based on well test. It is our intent flow test the Mesaverde, then complete into the Chacra, stabilize production and perform flow rate test, drill out the CIBP isolating the Dakota, commingle production and perform a flow rate test for the combined zones. The production rate for the Dakota will be determined using the flow rate test for the combined pools and minus the Mesaverde & Chacra flow test rates. The resulting volumes will be used to determine a fixed percentage rate to be allocated to each pool.

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. NM - 012202