

Submit 3 Copies To Appropriate District
Office
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
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-104) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-10137
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE FEE <input checked="" type="checkbox"/>
2. Name of Operator BP America Production Company Attn: Mary Corley		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 3092 Houston, TX 77253		7. Lease Name or Unit Agreement Name: Calloway LS
4. Well Location Unit Letter H 1840 feet from the North line and 800 feet from the East line Section 34 Township 31N Range 11W NMPM San Juan County		8. Well No. 2
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5660' GR		9. Pool name or Wildcat Blanco Mesaverde & Aztec Pictured Cliffs

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Downhole Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

12. 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 recompilation.

BP America Production Company request permission to convert the subject well from a dual string to a single string completion and commingle production downhole from the Blanco Mesaverde & Aztec Pictured Cliffs Pools as per the attached procedure.

The Blanco Mesaverde (72319) & Aztec Pictured Cliffs (71280) Pools are Pre-Approved Pools for Downhole Commingling per NMOC order R-11363. The working and overriding royalty interest owners in the proposed commingled pools are identical, therefore no further notification of this application is required.

Production is proposed to be allocated based on actual production from both the Mesaverde & Pictured Cliffs Pools as reflected on the attached procedure.

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

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 03/24/2004

Type or print name Mary Corley Telephone No. 281-366-4491

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 03 DATE MAR 29 2004

Conditions of approval, if any:

Calloway LS 2
Downhole Commingling Procedure
API #: 30-045-10137

Procedure:

1. Check anchors. MIRU workover rig.
2. Check and record tubing, casing, and bradenhead pressures.
3. Blow down well. Kill with 2% KCL water ONLY if necessary.
4. Nipple down WH. NU BOPs and diversion spool with 3" outlets and 3" pipe to the blow tank. Pressure test BOPs to 500 psi. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover.
5. RU slickline unit or wireline unit. RIH and set plug (CIBP, tbg collar stop, or plug set in nipple) for isolation.
6. Tally OH with 1-1/4" production tubing currently set at 2280'.
7. Tally out of hole w/ Baker packer and 2-3/8" tubing set at 4555'. Visually inspect tbg while POOH.

Contingency: *If the tubing is in poor condition, replace entire tubing string.*

8. TIH with bit and scraper for 5-1/2" casing to PBTD at 4620'.
9. RU WL unit. RIH with 5-1/2" CIBP. Set CIBP at 4450'.
9. RIH with 3-1/8" casing guns with Schlumberger's Prospector, select-fire charge. Perforate Menefee and Cliff House formation w/ 2 SPF at: 3852, 3855, 3857, 3892, 3899, 3912, 3920, 3975, 3990, 3995, 4000, 4005, 4010, 4019, 4054, 4141, 4172, 4184, 4255, 4260, 4318, 4348, 4362, 4412, 4435, 4441, 4450 (correlate to GR log).
10. RIH with 3-1/2" frac string and 5-1/2" packer. Set packer at 2400'.
11. Spearhead 500 gal 15% HCL, establish injection rate, and proceed with fracture stimulation according to Schlumberger schedule. Maintain surface pressures \leq 6000 psi during frac job. Flush frac with foam. Fill out GWSI scorecard.
12. Flowback frac immediately.
13. Release packer and TOH with frac string and packer. LD frac string.
14. TIH with tubing and bit. Cleanout fill and drill bridge plug set at 4450'. Cleanout fill to PBTD at 4620'. Blow well dry at PBTD.
15. Rabbit tubing and RIH with 2-3/8" production tubing (with a muleshoe and X-nipple with blanking plug). Fill tubing with KCL water while RIH.

16. Land 2-3/8" production tubing at 4540'.
17. Pressure test tubing to 500 psi with rig pumps.
18. Swab down tubing with sandline.
19. RU SL unit. Run gauge ring for 2-3/8" tubing. Pull plug and set tubing stop for plunger.
RD slickline unit.
20. ND BOP's. NU WH. Test well for air. Return well to production.

Allocation Based on 2003 Production (thru November)				
Formation	Gas	%	Oil	%
Pictured Cliffs	6946	22%	0	0%
Mesaverde	24412	78%	74	100%

Calloway LS 002 MV/PC

Sec 34, T31N, R11W

API #: 30-04510137

GL: 5863'

History:

- Drilled & completed in 1957

- BH repair in 1993:

Perf'd @ 1620' w/ 2 JSPFPumped 530 sx cmt and circ'd 7 bblscmt to surf. Tested csg to 500 psi. BH still leaking

Bradenhead History:

- Jan 1998: BH had continous trickle during test

- Jul 1998: BH press TSTM, had a trickle of water through the test

- Dec 1999: Gas press bled down instantly. Water flowed at a steady drip for entire test. Made about 2 gallons per half hour

1 1/4" tbg @ 2280'
w/ orange peel mud anchor

PC Perforations:

2238' - 2284', frac'd w/ 40,000 lbs sand

MV perforations

4485' - 4590', frac'd w/ 60,000 lbs sand

