Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMSF078566

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
STOREY LS 2

2. Name of Operator
BP AMERICA PRODUCTION CO
Contact: MARY CORLEY
E-Mail: corleyml@bp.com

9. API Well No.
30-045-06948-00-S1

3a. Address
P. O. BOX 3092
HOUSTON, TX 77253

3b. Phone No. (include area code)
Ph: 281.366.4491
Fx: 281.366.0700

10. Field and Pool, or Exploratory
BLANCO MESAVERDE
OTERO CHACRA

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 35 T28N R8W SWSW 0990FSL 0990FWL
36.61353 N Lat, 107.65538 W Lon

11. County or Parish, and State
SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Subsurface Commingling
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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 recomplete 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 recompletion 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 America Production Company request permission to recomplete the subject well into the Otero Chacra and commingle production Downhole with the existing Blanco Mesaverde as per the attached procedure.

The Blanco Mesaverde (72319) & Otero Chacra (82329) Pools are Pre-Approved Pools for Downhole Commingling per NMOCD 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 the subtraction method using the projected future decline for production from the Mesaverde. That production shall serve as a base for production subtracted from the total production for the commingled well. The balance of the production will

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

DHC 1432AZ

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #28544 verified by the BLM Well Information System
For BP AMERICA PRODUCTION CO, sent to the Farmington
Committed to AFMSS for processing by CHIP HARRADEN on 03/16/2004 (04CXH0026SE)

Name *(Printed/Typed)* MARY CORLEY — Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) — Date 03/04/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ — Title Pet. Eng. — Date 3/31/04

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 NMOCD

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #28544 that would not fit on the form

32. Additional remarks, continued

be attributed to the Chacra. Attached is the future production decline estimates for the Mesaverde.

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

Storey LS 2
Well Work Procedure
Repair Bradenhead, Recomplete to Chacra, Downhole Commingle Chacra, and Mesaverde

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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. Tag for fill and tally OH with 2-3/8" production tubing currently set at 4885'. Visually inspect tbg while POOH.

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

7. TIH with bit and scraper for 5-1/2" casing to PBTD at 4955'.

8. RIH with CIBP and set at 4200'.

9. Bleed production casing to zero while monitoring intermediate casing and bradenhead.

10. If bradenhead bleeds down with casing, then repair tree, re-test, and go to step 26.

11. Fill casing with fluid and pressure test to 500 psi.

12. Run CBL from 4200' to surface.

13. Back off casing 50' above TOC identified by CBL or 2600', whichever is shallower.

14. Circulate mud out of hole w/ 2% KCl.

15. POOH w/ 5-1/2" casing.

16. Run in hole w/ scraper for 7" casing to top of 5-1/2".

17. Set retrievable bridge plug in 7" casing, just above top of 5-1/2" casing.

18. Run CBL from BP to surface.

19. Perforate holes in 7" casing, 50' above top of cement identified by CBL.

20. Set cement retainer 50' above perforations. Mix and pump cement per Schlumberger procedure. If possible, circulate cement to surface.

21. If cement does not circulate to surface, run CLB from retainer to surface and repeat steps 19 and 20.

22. WOC.

23. Drill out cement and pressure test squeeze to 500 psi (monitor bradenhead pressure during test also).

24. Pull retrievable bridge plug set in 7".

25. Run 5-1/2" casing back in hole and screw back in.

26. Pressure test casing to 2500 psi w/ rig pumps.

27. RIH with 3-1/8" casing guns with Schlumberger's Prospector, select-fire charge. Perforate Chacra formation **2 spf** (29 shots/ 58 holes): 3562, 3564, 3566, 3568, 3570, 3572, 3574, 3576, 3578, 3580, 3680, 3682, 3684, 3686, 3688, 3690, 3692, 3694, 3696, 3698, 3700, 3734, 3738, 3742, 3746, 3750, 3754, 3758, 3762'.

28. Spearhead 500 gal 15% HCL, establish injection rate, and proceed with fracture stimulation according to Schlumberger schedule. Maintain surface pressures ≤ 3000 psi during frac job. Flush frac with foam. Fill out GWSI scorecard.

29. Flowback frac immediately.

30. TIH with tubing and bit. Cleanout fill and drill bridge plug set at 4200'. Cleanout fill to PBTD at 4995'. Blow well dry at PBTD.

31. 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.

32. Land 2-3/8" production tubing at 4885'.

33. Pressure test tubing to 500 psi with rig pumps.

34. Swab down tubing with sandline.

35. RU SL unit. Run gauge ring for 2-3/8" tubing. Pull plug and set tubing stop for plunger. RD slickline unit.

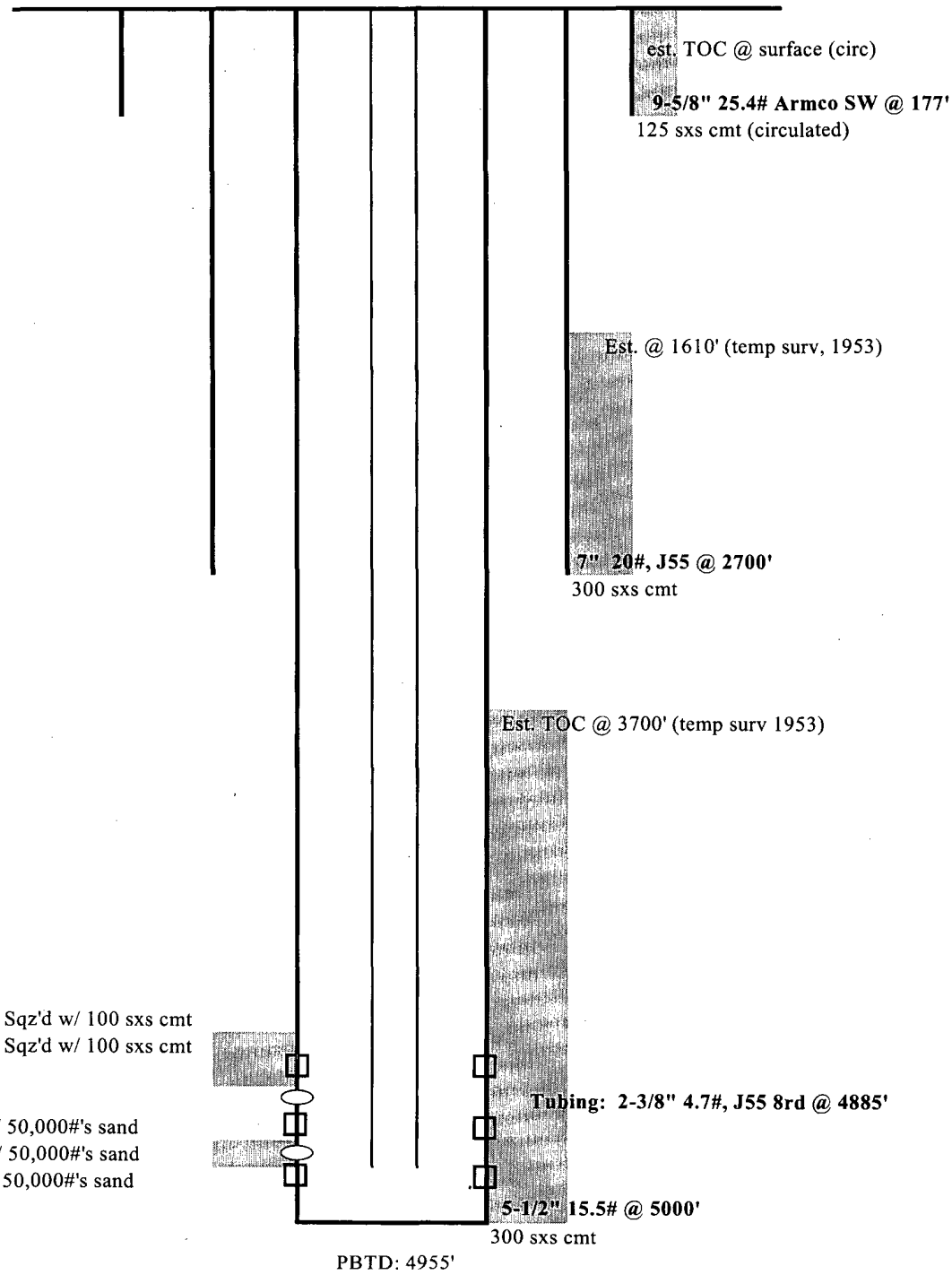
36. ND BOP's. NU WH. Test well for air. Return well to production and downhole commingle Chacra, and Mesaverde.

Storey LS #2

Sec 35, T29N, R8W

API # 30-045-06948

GL: 6248'



History:
Completed in Jan 1956

Squeeze holes @ 4434', 4 spf, Sqz'd w/ 100 sxs cmt
Squeeze holes @ 4670', 4 spf, Sqz'd w/ 100 sxs cmt

Mesaverde Perforations
CH: 4270' - 4382' 66 shots w/ 50,000#'s sand
MF: 4470' - 4580' 36 shots w/ 50,000#'s sand
PL: 4768' - 4944' 70 shots w/ 50,000#'s sand

updated: 7/21/03 CFR

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	[2] Pool Code	[3] Pool Name
30-045-06946	82329	Otero Chacra

[4] Property Code	[5] Property Name	[6] Well Number
001133	Storey LS	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
000778	BP America Production Company	6258' GR

[10] Surface Location

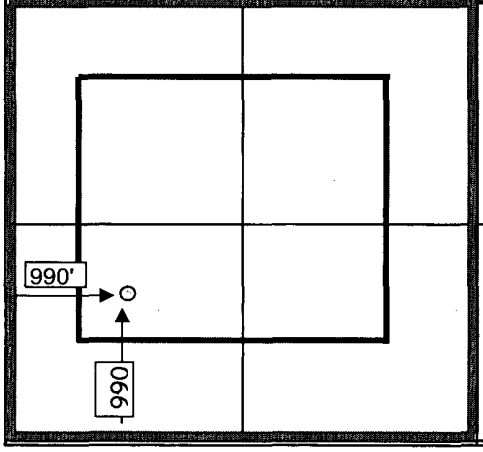
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet from	East/West	County
Unit M	35	28N	08W		990'	South	990'	West	San Juan

[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.
152.65			

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.

Mary Corley

Signature: Mary Corley

Printed Name: Sr. Regulatory Analyst

Title: 03/04/2004

Date

[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.

on file

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

Storey LS 2

Future Production Decline Estimate

Mesaverde Daily Rates

Month	Gas Volume	
Jan-2003	0	
Feb-2003	35	
Mar-2003	49	
Apr-2003	37	
May-2003	36	
Jun-2003	32	**
Jul-2003	32	
Aug-2003	32	
Sep-2003	29	
Oct-2003	29	**
Nov-2003	27	
Dec-2003	27	
Jan-2004	26	
Feb-2004	26	
Mar-2004	25	
Apr-2004	25	
May-2004	24	
Jun-2004	24	
Jul-2004	23	
Aug-2004	23	
Sep-2004	22	
Oct-2004	22	
Nov-2004	21	
Dec-2004	21	
Jan-2005	20	
Feb-2005	20	
Mar-2005	19	
Apr-2005	19	
May-2005	18	
Jun-2005	18	
Jul-2005	17	
Aug-2005	17	
Sep-2005	16	
Oct-2005	16	
Nov-2005	15	
Dec-2005	15	

ln(Qf/Qi) = -dt

Qf= 29

Qi= 32

rate= 29

time= 5

dt= -0.098440073

decline= -0.570952422

Month	Gas Volume
Jan-2006	15
Feb-2006	14
Mar-2006	14
Apr-2006	14
May-2006	13
Jun-2006	13
Jul-2006	13
Aug-2006	12
Sep-2006	12
Oct-2006	12
Nov-2006	11
Dec-2006	11
Jan-2007	11
Feb-2007	10
Mar-2007	10
Apr-2007	10
May-2007	9
Jun-2007	9
Jul-2007	9
Aug-2007	8
Sep-2007	8
Oct-2007	8
Nov-2007	7
Dec-2007	7
Jan-2008	7
Feb-2008	6
Mar-2008	6
Apr-2008	6
May-2008	6
Jul-2008	5
Aug-2008	5
Sep-2008	5
Oct-2008	4
Nov-2008	4
Dec-2008	4
Jan-2009	3

Month	Gas Volume
Feb-2009	3
Mar-2009	3
Apr-2009	2
May-2009	2
Jun-2009	2
Jul-2009	1
Aug-2009	1
Sep-2009	1
Oct-2009	0
Nov-2009	0
Dec-2009	0
Jan-2010	0
Feb-2010	0
Mar-2010	0
Apr-2010	0
May-2010	0
Jun-2010	0
Jul-2010	0
Aug-2010	0
Sep-2010	0
Oct-2010	0
Nov-2010	0
Dec-2010	0
Jan-2011	0
Feb-2011	0
Mar-2011	0
Apr-2011	0
May-2011	0
Jun-2011	0
Jul-2011	0
Aug-2011	0
Sep-2011	0
Oct-2011	0
Nov-2011	0
Dec-2011	0
Jan-2012	0