

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 BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-32323
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE FEE
2. Name of Operator BP America Production Company Attn: Cherry Hlava		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 3092 Houston, TX 77253		7. Lease Name or Unit Agreement Name: Mudge LS (Notified BLM of DHC intent on APD filing SF - 078051)
4. Well Location Unit Letter G 2180 feet from the North line and 1835 feet from the East line Section 33 Township 32N Range 11W NMPM San Juan County		8. Well No. 24N
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6124' GR		9. Pool name or Wildcat Basin Dakota & Blanco Mesaverde

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: **Downhole Commingle** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: ☐

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.

On 04/22/2004, BP America Production Company submitted an application for permit to drill and complete the subject well into the Basin Dakota, produce the well in order to establish a production rate, isolate the zone, then add the Blanco Mesaverde and commingle production Downhole. APD Approved on 06/06/04. BP now seeks NMOCD approval to Downhole commingle production in the subject well as per procedure on reverse side of this Form.

The Basin Dakota (71599) & the Blanco Mesaverde (72319) Pools are Pre-Approved for Downhole Commingling per NMOCD Order R - 11363. The working interest owners are identical however royalty interest owners are not, therefore all interest owners are being notified by being furnished a copy of this application on June 15, 2004, via certified mail return receipt requested.

Production is proposed to be allocated based on a fixed percentage. We will perform a deliverability test on the Dakota, isolate the zone and complete into the Mesaverde. The deliverability test will be performed on the combined zones and Dakota rate will be subtracted from the total well stream to establish the Mesaverde rate.

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: Cherry Hlava TITLE: Regulatory Analyst DATE: 06/15/2004

Type or print name Cherry Hlava Telephone No. 281-366-4081

(This space for State use)

APPROVED BY: [Signature] TITLE: DEPUTY OIL & GAS INSPECTOR, DIST. 40 DATE: JUN 28 2004

Conditions of approval, if any:

Mudge LS 24N
Downhole Commingling Procedure

1. Run TDT log
 2. Perforate Dakota
 3. Run Gauges to Dakota, leave overnight
 4. Retrieve Gauges and frac the Dakota (Slick Water)
 5. Clean out frac & flow back to stabilize production
 6. Run 2 3/8" tubing and perform 12 hour stabilized test on Dakota
 7. Set Bridge plug Between Mesaverde and Dakota
 8. Perforate and frac (2 Stage N2 Foam) the Mesaverde Formation
 9. Clean out frac and wellbore to PBTD
 10. Run Completion String and RDSU
 11. Put well on Line
 12. Perform well test on the Combined Mesaverde/Dakota production stream
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