

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. MUDGE /C/ 1E
2. Name of Operator BP AMERICA PRODUCTION CO		9. API Well No. 30-045-24719-00-S1
3a. Address 200 ENERGY CT FARMINGTON, NM 87402	3b. Phone No. (include area code) Ph: 281.366.4491 Fx: 281.366.0700	10. Field and Pool, or Exploratory BLANCO MV / BASIN DAKOTA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 9 T31N R11W NWNW 0815FNL 0740FWL 36.91756 N Lat, 108.00151 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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. 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 recompleate 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 recompleation 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 recompleate the subject well into the Blanco Mesaverde and commingle production Downhole with the existing Basin Dakota as per the attached procedure.

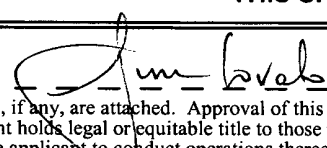
The Basin Dakota (71599) and Blanco Mesaverde (72319) Pools are Pre-Approved Pools for Downhole Commingling per NMOC order R-11363. The working and overriding royalty interest owners in the proposed commingled pools are not identical, and therefore will be notified by copy of this application via certified mail return receipt requested.

Production is proposed to be allocated based on the subtraction method using the projected decline for production from the Dakota. 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.

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #50104 verified by the BLM Well Information System For BP AMERICA PRODUCTION CO, sent to the Farmington Committed to AFMSS for processing by MATTHEW HALBERT on 11/01/2004 (05MXH0074SE)	
Name (Printed/Typed) MARY CORLEY	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 10/15/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By 	Title Petr. Eng	Date 11/2/04
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

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 #50104 that would not fit on the form

32. Additional remarks, continued

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

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

Mudge C #1E
T31N – R11W – Sec 9 – Unit D
API # 30-045-24719

Objective: Recompletion to Mesaverde and downhole commingle with existing Dakota production.

1. Check anchors. MIRU workover rig.
2. Blow down well. Kill with 2% KCL water ONLY if necessary.
3. ND wellhead. NU BOPs.
4. TOH with production tubing.
5. TIH with bit and scraper and clean out to PBTD.
6. TIH and set bridge plug at least 30' above top perforation.
7. Pressure test bridge plug and casing. If casing fails to test contact engineer for squeeze procedure.
8. Correlate to log. TIH with casing guns and perforate Mesaverde formation.
9. RU frac equipment and frac down casing according to frac schedule. If casing failed to test then frac down frac string to prevent breaking down squeeze job.
10. Flowback frac immediately.
11. TIH with tubing and bit. Drill out bridge plug. Clean out fill and blow well dry at PBTD.
12. Rabbit tubing and TIH with production tubing.
13. Land production tubing at least 30' above bottom perforation.
14. ND BOPs. NU wellhead.
15. Swab down and run gauge ring for tubing.
16. Test well for air. Return well to production. RDMO workover rig.

Mudge C #1E

T31N - R11W - Sec 9 - Unit D

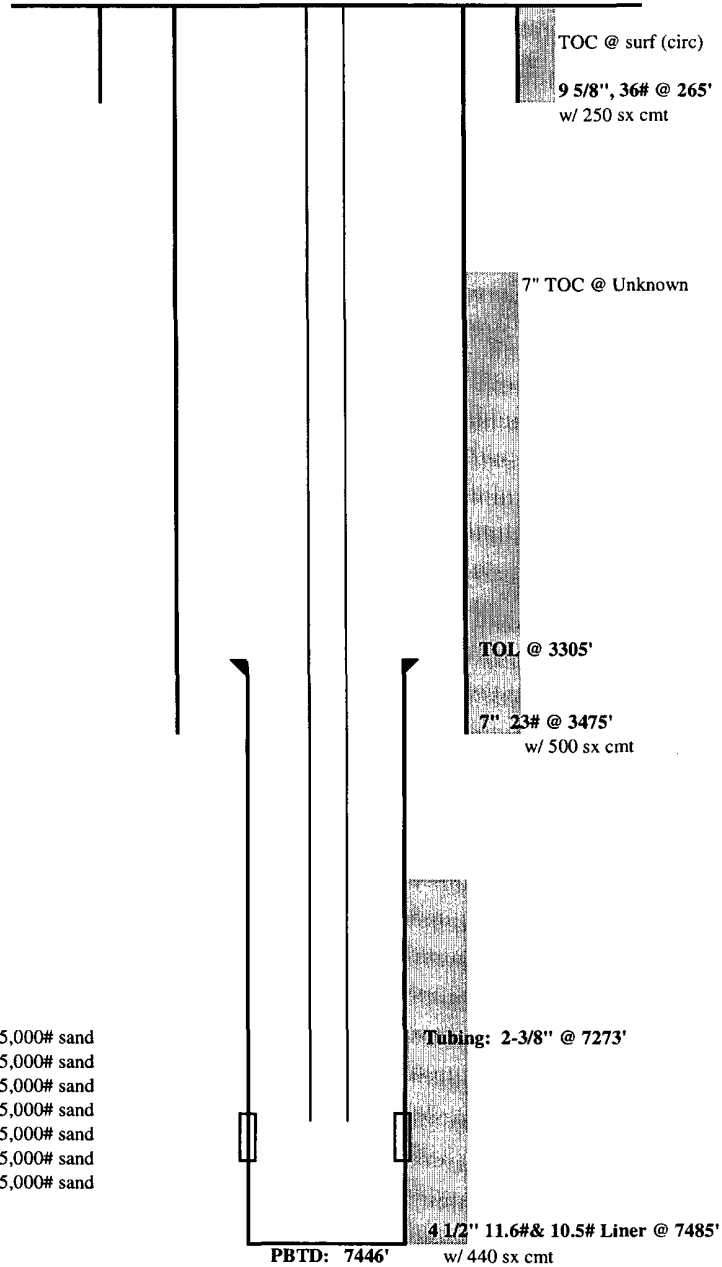
API # 30-045-24719

History:

Spud 2/9/1981

DK perforations

7249' - 7256', 2 SPF, 115,000# sand
7293' - 7298', 2 SPF, 115,000# sand
7342' - 7355', 2 SPF, 115,000# sand
7366' - 7369', 2 SPF, 115,000# sand
7387' - 7391', 2 SPF, 115,000# sand
7416' - 7420', 2 SPF, 115,000# sand
7452' - 7457', 2 SPF, 115,000# sand



TD: 7487'

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 30-045-24719	² Pool Code 72319	³ Pool Name Blanco Mesaverde
⁴ Property Code 000907	⁵ Property Name Mudge C	⁶ Well Number 1E
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 6190'

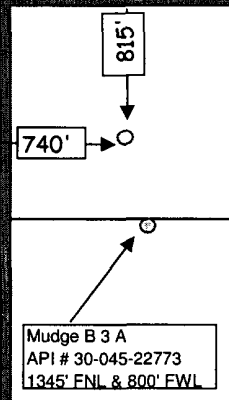
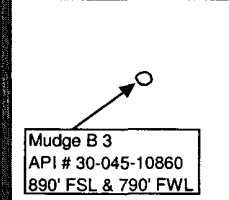
¹⁰ Surface Location

UL or lot no. Unit D	Section 9	Township 31N	Range 11W	Lot Idn	Feet from 815	North/South North	Feet from 740	East/West West	County San Juan
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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 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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

 <p>Mudge B 3 A API # 30-045-22773 1345' FNL & 800' FWL</p>				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> Mary Corley Signature Mary Corley Printed Name Sr. Regulatory Analyst Title 09/28/2004 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> 8/15/1980 Date of Survey Signature and Seal of Professional Surveyor: Fred B Kerr 3950 Certificate Number
 <p>Mudge B 3 API # 30-045-10860 890' FSL & 790' FWL</p>				

Mudge C 1E Future Production Decline Estimate Dakota Daily Rates

10/15/2004

Month	Gas Volume
Jan-2003	37
Feb-2003	79
Mar-2003	50
Apr-2003	66
May-2003	45
Jun-2003	39
Jul-2003	41
Aug-2003	42
Sep-2003	36
Oct-2003	37
Nov-2003	33
Dec-2003	30
Jan-2004	33
Feb-2004	32
Mar-2004	33
Apr-2004	35
May-2004	76
Jun-2004	76
Jul-2004	75
Aug-2004	75
Sep-2004	74
Oct-2004	74
Nov-2004	74
Dec-2004	73
Jan-2005	73
Feb-2005	72
Mar-2005	72
Apr-2005	72
May-2005	71
Jun-2005	71
Jul-2005	71
Aug-2005	70
Sep-2005	70
Oct-2005	69
Nov-2005	69
Dec-2005	69

$\ln(Q_f/Q_i) = -dt$
 $Q_f = 37$
 $Q_i = 39$
 $rate = 37$
 $time = 5$
 $dt = -0.052643733$
 $decline = -0.389563628$

Month	Gas Volume
Jan-2006	68
Feb-2006	68
Mar-2006	67
Apr-2006	67
May-2006	67
Jun-2006	66
Jul-2006	66
Aug-2006	65
Sep-2006	65
Oct-2006	65
Nov-2006	64
Dec-2006	64
Jan-2007	64
Feb-2007	63
Mar-2007	63
Apr-2007	62
May-2007	62
Jun-2007	62
Jul-2007	61
Aug-2007	61
Sep-2007	60
Oct-2007	60
Nov-2007	60
Dec-2007	59
Jan-2008	59
Feb-2008	58
Mar-2008	58
Apr-2008	58
May-2008	57
Jun-2008	57
Jul-2008	57
Aug-2008	57
Sep-2008	56
Oct-2008	56
Nov-2008	55
Dec-2008	55
Jan-2009	55

Month	Gas Volume
Feb-2009	54
Mar-2009	54
Apr-2009	53
May-2009	53
Jun-2009	53
Jul-2009	52
Aug-2009	52
Sep-2009	51
Oct-2009	51
Nov-2009	51
Dec-2009	50
Jan-2010	50
Feb-2010	50
Mar-2010	49
Apr-2010	49
May-2010	48
Jun-2010	48
Jul-2010	48
Aug-2010	47
Sep-2010	47
Oct-2010	46
Nov-2010	46
Dec-2010	46
Jan-2011	45
Feb-2011	45
Mar-2011	44
Apr-2011	44
May-2011	44
Jun-2011	43
Jul-2011	43
Aug-2011	42
Sep-2011	42
Oct-2011	42
Nov-2011	41
Dec-2011	41
Jan-2012	41

Mudge C 1E Future Production Decline Estimate Dakota Daily Rates

10/15/2004

Month	Gas Volume
Feb-2012	40
Mar-2012	40
Apr-2012	39
May-2012	39
Jun-2012	39
Jul-2012	38
Aug-2012	38
Sep-2012	37
Oct-2012	37
Nov-2012	37
Dec-2012	36
Jan-2013	36
Feb-2013	35
Mar-2013	35
Apr-2013	35
May-2013	34
Jun-2013	34
Jul-2013	34
Aug-2013	33
Sep-2013	33
Oct-2013	32
Nov-2013	32
Dec-2013	32
Jan-2014	31
Feb-2014	31
Mar-2014	30
Apr-2014	30
May-2014	30
Jun-2014	29
Jul-2014	29
Aug-2014	28
Sep-2014	28
Oct-2014	28
Nov-2014	27
Dec-2014	27
Jan-2015	27

Month	Gas Volume
Feb-2015	26
Mar-2015	26
Apr-2015	25
May-2015	25
Jun-2015	25
Jul-2015	24
Aug-2015	24
Sep-2015	23
Oct-2015	23
Nov-2015	23
Dec-2015	22
Jan-2016	22
Feb-2016	21
Mar-2016	21
Apr-2016	21
May-2016	20
Jun-2016	20
Jul-2016	20
Aug-2016	19
Sep-2016	19
Oct-2016	18
Nov-2016	18
Dec-2016	18
Jan-2017	17
Feb-2017	17
Mar-2017	16
Apr-2017	16
May-2017	16
Jun-2017	15
Jul-2017	15
Aug-2017	14
Sep-2017	14
Oct-2017	14
Nov-2017	13
Dec-2017	13
Jan-2018	13