

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. SF - 078046
2. Name of Operator BP America Production Company Attn: Mary Corley		6. If Indian, Allottee or tribe Name
3a. Address P.O. Box 3092 Houston, TX 77253	3b. Phone No. (include area code) 281-366-4491	7. Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1170' FSL & 850' FWL Sec 29 T29N R08W		8. Well Name and No. Hughes B 7
		9. API Well No. 30-045-07780
		10. Field and Pool, or Exploratory Area Blanco Mesaverde & Otero Chacra
		11. County or Parish, State San Juan County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR 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 type="checkbox"/> Abandon
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Water Disposal	
	<input type="checkbox"/> Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Other	Downhole Commingle

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 recompleat 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 recompleat 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 recompleat the subject well into the Otero Chacra Pool and commingle production Downhole with the existing Blanco Mesaverde as per the attached procedure.

The Blanco Mesaverde (72319) and 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 additional notification 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 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

14. I hereby certify that the foregoing is true and correct Adhere to previously issued stipulations.		Title Senior Regulatory Analyst	
Name (Printed/typed) Mary Corley		Date 3/31/2005	
Signature <i>Mary Corley</i>			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by <i>[Signature]</i>		Title Petr. Eng.	Date 4/22/05
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.

NMOCd

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 DepartmentOIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505Form C-102
Revised August 15, 2000Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-07780	² Pool Code 82329	³ Pool Name Otero Chacra
⁴ Property Code 000702	⁵ Property Name Hughes B	⁶ Well Number 7
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 6424' GR

¹⁰ Surface Location

UL or lot no. M	Section 29	Township 29N	Range 08W	Lot Idn	Feet from 1170	North/South South	Feet from 850	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
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 Sr. Regulatory Analyst Title 3/9/2005 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: Fred B Kerr 3950 Certificate Number			

Hughes B 7 API #: 30-045-07780
Complete into the Chacra and DHC with the Mesaverde
February 14, 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 2-3/8" production tubing currently set at 4983'. Using approved "Under Balance Well Control Tripping Procedure".
11. TIH w/ scraper for 4-1/2". 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 5,361'. POOH.
12. Set bridge plug at 4,500'. 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.
14. RIH with 3-1/8" casing guns w/lubricator. Perforate Chacra formation w/ 4 SPF.

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 1/4", 1/2" and 3/4" 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 4-1/2" casing. Cleanout fill to top of BP set at 4,500'. **Perform well test on Chacra for regulatory and document well test in DIMS.**
18. Cleanout fill, cement retainer, and BP set at 4,500'. Cleanout to PBTD at 5,361'. Blow well dry.
19. Rabbit tubing and RIH with 2-3/8" production tubing (with muleshoe, F-nipple with plug, 4 ft pup, X-nipple with plug).
20. Land 2-3/8" production tubing at +/-5,200'. 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. During Master valve placement ensure the top of hanger has spacer nipple in place to bottom of bonnet flange so plunger equipment will not hang up through tree. Pressure test Wellhead.
23. RU WL unit. Run gauge ring for 2-3/8" tubing. Pull plugs and set tubing stop for plunger. Communicate plunger equipment status to IC room personnel.
24. RD slickline unit.
25. Test well for air. Return well to production and downhole co-mingle Chacra and Mesaverde.

Hughes B 7

Sec 29, T29N, R8W

API # 30-045-07780

GL: 6424'

History:

Completed OH in 8/53

4-1/2" run in 10/65

Menefee added in 8/99

9-5/8" @ 173

125 sxs cmt

TOC at 2800' (CBL)

TOC at 2890' (CBL)

7", 20&23# @ 4522'

227 sxs cmt

Tubing: 2-3/8" @ 4983'

4-1/2", 10.5# @ 5384'

170 sxs cmt

PBTD: 5361'

TD: 5384'

Mesaverde Perforat

4594' - 4706' w/ 50,000 #'s sand

4851' - 5108' w/ 91,000 #'s sand

5166' - 5244' w/ 50,000 #'s sand

updated: 2/10/05 CFR

Hughes B 7

Future Production Decline Estimate Mesaverde Daily Rates

$$\ln(Q_f/Q_i) = -dt$$

$$Q_f = 142$$

$$Q_i = 146$$

$$rate = 142$$

$$time = 10$$

$$dt = -0.027779564$$

$$decline = -0.002777956$$

Month	Gas Volume
Jan-2004	139
Feb-2004	106
Mar-2004	126
Apr-2004	118
May-2004	146
Jun-2004	117
Jul-2004	143
Aug-2004	123
Sep-2004	136
Oct-2004	145
Nov-2004	149
Dec-2004	145
Jan-2005	149
Feb-2005	142
Mar-2005	147
Apr-2005	147
May-2005	146
Jun-2005	146
Jul-2005	145
Aug-2005	145
Sep-2005	145
Oct-2005	144
Nov-2005	144
Dec-2005	143
Jan-2006	143
Feb-2006	143
Mar-2006	142
Apr-2006	142
May-2006	141
Jun-2006	141
Jul-2006	141
Aug-2006	140
Sep-2006	140
Oct-2006	139
Nov-2006	139
Dec-2006	139

Month	Gas Volume
Jan-2007	138
Feb-2007	138
Mar-2007	138
Apr-2007	137
May-2007	137
Jun-2007	136
Jul-2007	136
Aug-2007	136
Sep-2007	135
Oct-2007	135
Nov-2007	134
Dec-2007	134
Jan-2008	134
Feb-2008	133
Mar-2008	133
Apr-2008	133
May-2008	132
Jun-2008	132
Jul-2008	132
Aug-2008	132
Sep-2008	131
Oct-2008	131
Nov-2008	130
Dec-2008	130
Jan-2009	130
Feb-2009	129
Mar-2009	129
Apr-2009	129
May-2009	128
Jun-2009	128
Jul-2009	128
Aug-2009	127
Sep-2009	127
Oct-2009	127
Nov-2009	126
Dec-2009	126
Jan-2010	125

Month	Gas Volume
Feb-2010	125
Mar-2010	125
Apr-2010	124
May-2010	124
Jun-2010	124
Jul-2010	123
Aug-2010	123
Sep-2010	123
Oct-2010	122
Nov-2010	122
Dec-2010	122
Jan-2011	121
Feb-2011	121
Mar-2011	121
Apr-2011	120
May-2011	120
Jun-2011	120
Jul-2011	119
Aug-2011	119
Sep-2011	119
Oct-2011	118
Nov-2011	118
Dec-2011	118
Jan-2012	117
Feb-2012	117
Mar-2012	117
Apr-2012	116
May-2012	116
Jun-2012	116
Jul-2012	115
Aug-2012	115
Sep-2012	115
Oct-2012	114
Nov-2012	114
Dec-2012	114
Jan-2013	114

Hughes B 7

Future Production Decline Estimate

Mesaverde Daily Rates

Month	Gas Volume
Feb-2013	113
Mar-2013	113
Apr-2013	113
May-2013	112
Jun-2013	112
Jul-2013	112
Aug-2013	111
Sep-2013	111
Oct-2013	111
Nov-2013	110
Dec-2013	110
Jan-2014	110
Feb-2014	110
Mar-2014	109
Apr-2014	109
May-2014	109
Jun-2014	108
Jul-2014	108
Aug-2014	108
Sep-2014	107
Oct-2014	107
Nov-2014	107
Dec-2014	107
Jan-2015	106
Feb-2015	106
Mar-2015	106
Apr-2015	105
May-2015	105
Jun-2015	105
Jul-2015	104
Aug-2015	104
Sep-2015	104
Oct-2015	104
Nov-2015	103
Dec-2015	103
Jan-2016	103

Month	Gas Volume
Feb-2016	102
Mar-2016	102
Apr-2016	102
May-2016	102
Jun-2016	101
Jul-2016	101
Aug-2016	101
Sep-2016	100
Oct-2016	100
Nov-2016	100
Dec-2016	100
Jan-2017	99
Feb-2017	99
Mar-2017	99
Apr-2017	99
May-2017	98
Jun-2017	98
Jul-2017	98
Aug-2017	97
Sep-2017	97
Oct-2017	97
Nov-2017	97
Dec-2017	96
Jan-2018	96
Feb-2018	96
Mar-2018	96
Apr-2018	95
May-2018	95
Jun-2018	95
Jul-2018	95
Aug-2018	94
Sep-2018	94
Oct-2018	94
Nov-2018	93
Dec-2018	93
Jan-2019	93