

BP America Production Co. P.O. Box 3092
North American Gas - San Juan Houston, TX 77253-3092
281-366-2761 (direct) 501 West Lake Park Blvd.
281-366-0700 (fax) Houston, TX 77079

September 4, 2014

Ms. Toya Colvin – Regulatory Analyst
BP America Production Company
501 Westlake Park Blvd.
Houston, TX 77079

RE: State Gas Com BW 1S – Commingle Application
Section 32-T32N-R10W
San Juan County, NM
API #30-045-31381

Ms. Colvin:

I have reviewed BP America Production Company's division order records and other BP files concerning the above captioned well by comparing interest records for the Basin Fruitland Coal formation against the interest records for the Blanco Pictured Cliffs formation in the N/2 of Section 32-T32N-R10W. This review indicated that ownership in the Basin Fruitland Coal and Blanco Pictured Cliffs formations are as follows:

Basin Fruitland Coal – N/2 Section 32-T32N-R10W (320 acres)

BP America Production Company	87.50% WI
Dugan Production Co.	12.50% WI

Blanco Pictured Cliffs – NW/4 Section 32-T32N-R10W (160 acres)

BP America Production Company	75.00% WI
Dugan Production Co.	25.00% WI

Please contact me at x2761 if you have any questions concerning this topic.

Sincerely,

A handwritten signature in cursive script that reads "Craig A. Carley".

Craig A. Carley
Land Negotiator – San Juan Asset



State Gas Com BW 1S

30-045-31381

Unit letter E Sec 32, Town 32N, Range 10W
San Juan, NM
Fruitland Coal Formation

The purpose of this procedure is to outline the deepening and NMOCD requested downhole commingling of the State GC BW 1S to provide additional rathole for producing the Fruitland Coal Formation.

BP will not perforate or hydraulic fracture the Blanco Pictured Cliffs formation. The exposed Blanco Pictured Cliffs formation will be covered by an un-cemented liner.

Basic Job Procedure:

1. Pull Rods
2. Pull tubing
3. Deepen well to $\pm 3,015'$
 - a. Estimated top of Pictured Cliffs is at ~~3,054'~~ **2914'**
4. Run liner
 - a. Liner will either be pre-slotted or after running will be perforated in similar intervals as before:
 - i. $\pm 2650 - 2680'$
 - ii. $\pm 2750 - 2765'$
 - iii. $\pm 2800 - 2850'$
5. Land tubing at $\pm 2,960'$
6. Run pump and rods

Policy Reminder

Any changes to the written procedure requires an approved MoC
MoC (except BoD/SoR) approvals during execution have been delegated to the OTL

Current Wellbore Diagram

State GC BW 1S - FT

Current Wellbore



9.875" Csg TOC: Surface
Pumped 130 sx

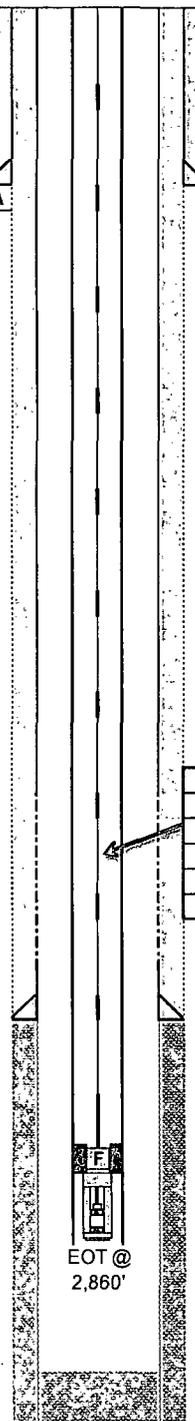
7" Csg TOC: Surface
Pumped 358 sacks

Formation Tops	
Fruitland	2645

Deviation Survey	
Depth	Deviation
630	0.75
1132	0.75
1534	1
1972	1
2444	1

OPENHOLE
FRUITLAND COAL Perfs
Hole size: 6-1/4"
Underreamed to 12" from 2820-2914'
Re-Perf: 2647- 2650
2654- 2656
Re-perf: 2656- 2658
Re-perf: 2674- 2676
2677- 2679
Re-perf: 2757- 2760
2762- 2764

Component	Details	#
Polished rod	1.25" x 26'	1
Pony Rod	0.75" x 2'	1
Sucker Rods	0.75" x 25'	109
Sinker Bars	1.25" x 25'	3
RHAC Pump:	2" x 1.25" x 18'	1



End of Int Casing @ 2800'

F-nipple @ 2860

FIELD:	San Juan South		
WELL:	State GC BW 1S - FT		
COUNTY:	San Juan, New Mexico		
API No.	30-045-27366		
RKB ELEVATION	6,196	SEC:	32
GL ELEVATION	6,185	TOWN:	32N
RKB-GL'	11	RANGE:	10W
Lat: 36.94491572		Long: -107.912285	

DIRECTIONAL DATA			
MAX ANGLE	?	THRU	?
KOP	N/A	TYPE	Vertical

PRODUCTION DETAIL			
	TUBING		Int Casing
SIZE	2 3/8 "		7 "
WEIGHT	4.7ppf		20ppf
GRADE	J-55		J-55
DEPTH	2,860'		2,800'
THREAD	8R EUE		LT+C
ID.	1.995"		6.456"
DRIFT	1.901"		6.331"
BURST	7700 PSI		3740 PSI
COLLAPSE	8100 PSI		2270 PSI
CAPACITY	0.00387 bbl/ft		0.04049 bbl/ft
# JOINTS			

PRODUCTION ASSEMBLY DETAIL				
#	O. D. IN	I. D. IN	LENGTH FT	Description
1	7.062	2.375	1.00	Tubing hanger
2	2.375	1.995	8.00	Pup joint
3	2.375	1.995	8.00	Pup joint
4	2.375	1.995	2818	2-3/8" 4.7# J-55 EUE FBN Joint
5	2.375	1.780	1.00	F nipple
6				
7				
8				
9				
10				
11				
12				

CASING DETAIL					
#	SIZE	WGHT	GRADE	THREAD	DEPTH
A	9 7/8	32.2	H-40	LT+C	136
B	7	20ppf	J-55	LT+C	2,800
B					
C					
D					
E					
F					

PRESSURE DATA	
BOTTOM HOLE PRESSURE	158 PSI
Estimated	
BOTTOM HOLE TEMPERATURE	116°F
Calculated	

Prepared by: N. MAXWELL Date: 12-Aug-2014

Plug Back Total Depth:	2914	MD	2914	TVD
Total Depth:	2914	MD	2914	TVD

Spud: 7/2003

Completed: 7/2003

Last Workover: 8/14/2012

Proposed Wellbore Diagram

State GC BW 1S - FT

Proposed Wellbore



9.875" Csg TOC: Surface	
Pumped 130 sx	
7" Csg TOC: Surface	
Pumped 358 sacks	
5.5" Lnr TOC: N/A	
Not Cemented	
Formation Tops	
Fruitland	2645

Deviation Survey	
Depth	Deviation
630	0.75
1132	0.75
1534	1
1972	1
2444	1

FIELD	San Juan South		
WELL	State GC BW 1S - FT		
COUNTY	San Juan, New Mexico		
API No.	30-045-27366		
RKB ELEVATION	6,196	SEC	32
GL ELEVATION	6,185	TOWN	32N
RKB-GL	11	RANGE	10W
Lat: 36.94491572		Long: -107.912285	

DIRECTIONAL DATA			
MAX ANGLE	?	THRU	?
KOP	N/A	TYPE	Vertical

PRODUCTION DETAIL			
	TUBING	Prod Liner	Int Casing
SIZE	2 3/8 "	5 1/2 "	7 "
WEIGHT	4.7ppf	20ppf	20ppf
GRADE	J-55	L-80	J-55
DEPTH	2,960'	3,015'	2,800'
THREAD	8R EUE	HydriL	LT+C
I.D.	1.995"	4.778"	6.456"
DRIFT	1.901"	4.653"	6.331"
BURST	7700 PSI	9190 PSI	3740 PSI
COLLAPSE	8100 PSI	8830 PSI	2270 PSI
CAPACITY	0.00387 bbl/ft	0.02218 bbl/ft	0.04049 bbl/ft

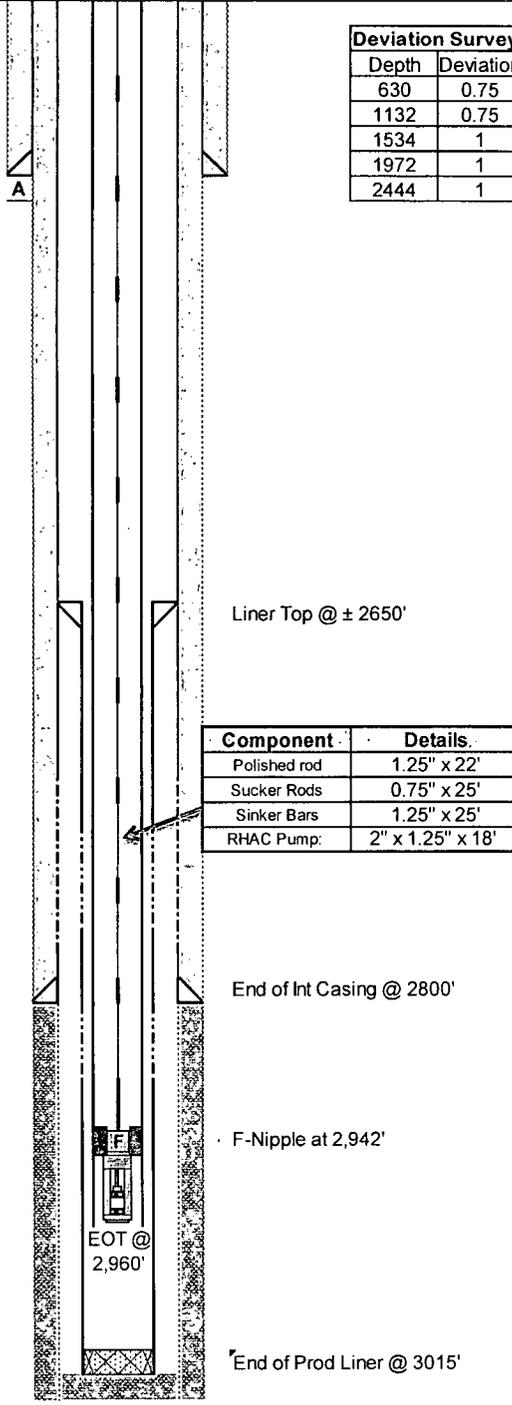
# JOINTS			

PRODUCTION ASSEMBLY DETAIL				
#	O. D. IN	I. D. IN	LENGTH FT	Description
1	2.375	1.780	1.00	F-Nipple
2	2.375	1.995	18	Pup w/Mule Shoe Collar and 0.5" weep hole at top
3				
4				
5				
6				
7				
8				
9				
10				
11				

CASING DETAIL					
#	SIZE	WGHT	GRADE	THREAD	DEPTH
A	9 5/8	36	K-55	LT+C	136
B	7	20ppf	J-55	LT+C	2,800
B	5 1/2	20ppf	L-80	HydriL	3,015
C					
D					
E					
F					

PRESSURE DATA	
BOTTOM HOLE PRESSURE	158 PSI
Estimated	
BOTTOM HOLE TEMPERATURE	118°F
Calculated	

Prepared by: N. MAXWELL	Date: 12-Aug-2014
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FRUITLAND COAL Perfs
Liner perfs TBD pending log

- Re-Perf: 2647- 2650
- 2654- 2656
- Re-perf: 2656- 2658
- Re-perf: 2674- 2676
- 2677- 2679
- Re-perf: 2757- 2760
- 2762- 2764

Component	Details	#
Polished rod	1.25" x 22'	1
Sucker Rods	0.75" x 25'	118
Sinker Bars	1.25" x 25'	3
RHAC Pump	2" x 1.25" x 18'	1

Plug Back Total Depth:	3015	MD	3015	TVD
Total Depth:	3015	MD	3015	TVD

Spud: 7/2003

Completed: 7/2003

Last Workover:

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31381		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 001082		⁵ Property Name State Gas Com BW			⁶ Well Number IS
⁷ OGRID No. 000778		⁸ Operator Name BP America Production Company			⁹ Elevation 6111

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	32	32N	10W		1460	North	750	West	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. R- 11363			

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.

16	1460'				
	750'				

¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Toya Colvin 9/04/14
Signature Date

Toya Colvin
Printed Name

Toya.Colvin@bp.com
E-mail Address

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.

Date of Survey
Signature and Seal of Professional Surveyor:

Previously Filed

Certificate Number

District I
 1625 N. French Dr., Hobbs, NM 88240
District II
 1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised July 16, 2010
 Submit one copy to appropriate
 District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31381		² Pool Code 72359		³ Pool Name Blanco Pictured Cliffs	
⁴ Property Code 001082		⁵ Property Name State Gas Com BW			⁶ Well Number 1S
⁷ OGRID No. 000778		⁸ Operator Name BP America Production Company			⁹ Elevation 6111

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	32	32N	10W		1460	North	750	West	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 160		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. R- 11363			

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.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION	
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>	
	Signature _____ Date _____ Toya Colvin Printed Name Toya.Colvin@bp.com E-mail Address	
	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>	
	Date of Survey _____ Signature and Seal of Professional Surveyor: _____	
	Previously Filed	
	Certificate Number _____	