

1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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
May 27, 2004

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. 30-045-22223
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
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 Usselman Gas Com C
4. Well Location Unit Letter E : 2340 feet from the North line Section 04 Township 31N Range 10W NMPM San Juan County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5845' GR		9. OGRID Number 000778
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Pictured Cliffs/ Basin Fruitland Coal
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. 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 COMPL ☐
NSL-904-A (SD)
OTHER: **Complete into the FC & DHC w/PC**

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. 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 recompletion.

On 05/16/05 BP America requested permission to abandon the PC & recomplete to the FC. Permission was granted 05/23/05. BP America Production Company respectfully requests permission to complete into the Basin Fruitland Coal & commingle production downhole with the existing Blanco Pictured Cliffs pool as per the attached procedure.

The Blanco Pictured Cliffs (72359) & the Basin Fruitland Coal (71629) are Pre-Approved for Downhole Commingling per NMOCD ORDER NO. R-11363. The working and overriding royalty interest owners in the proposed commingled pools are different therefore notification of this application is submitted by copy of this application to all interest owners via certified mail (return receipt)

Production is proposed to be allocated based on the subtraction method using the projected future decline for production from the Blanco Pictured Cliffs. 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 Blanco Fruitland Coal.

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

DHC 2018 AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE *Cherry Hlava* TITLE Regulatory Analyst DATE 09/08/2005
Type or print name Cherry Hlava E-mail address: hlavacl@bp.com Telephone No. 281-366-4081

For State Use Only
APPROVED BY: *[Signature]* TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 8 DATE OCT 04 2005
Conditions of Approval (if any):

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

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-22223		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 001182		⁵ Property Name Usselman Gas Com C			⁶ Well Number 1
⁷ OGRID No. 000778		⁸ Operator Name BP America Production Company			⁹ Elevation 5845' GR

¹⁰ Surface Location

UL or lot no. E	Section 4	Township 31N	Range 10W	Lot Idn	Feet from 2340	North/South North	Feet from 875	East/West West	County 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 319.8	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>2340</p> <p>— 875' → ●</p>	<p>WOOD GAS COM A #001 API # 30-45-25820 1155' FNL & 1745' FEL</p> <p>→ ●</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Mary Corley</p> <p>Signature</p> <p>Mary Corley</p> <p>Printed Name</p> <p>Sr. Regulatory Analyst</p> <p>Title</p> <p>5/16/2005</p> <p>Date</p>	
		<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>10/20/1977</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Fred B Kerr 3950</p> <p>Certificate Number</p>	

Usselman GC C-1 Future Production Decline for Blanco Pictured Cliffs
 Di (annual) 0.024995 30-045-22223

DATE	MCFD	DATE	MCFD
7/15/2005	21	06/15/09	19
8/15/2005	20	07/15/09	19
9/15/2005	20	08/15/09	19
10/15/2005	20	09/15/09	18
11/15/2005	20	10/15/09	18
12/15/2005	20	11/15/09	18
1/15/2006	20	12/15/09	18
2/15/2006	20	01/15/10	18
3/15/2006	20	02/15/10	18
4/15/2006	20	03/15/10	18
5/15/2006	20	04/15/10	18
6/15/2006	20	05/15/10	18
7/15/2006	20	06/15/10	18
8/15/2006	20	07/15/10	18
9/15/2006	20	08/15/10	18
10/15/2006	20	09/15/10	18
11/15/2006	20	10/15/10	18
12/15/2006	20	11/15/10	18
1/15/2007	20	12/15/10	18
2/15/2007	20	01/15/11	18
3/15/2007	20	02/15/11	18
4/15/2007	20	03/15/11	18
5/15/2007	20	04/15/11	18
6/15/2007	20	05/15/11	18
7/15/2007	20	06/15/11	18
8/15/2007	19	07/15/11	18
9/15/2007	19	08/15/11	18
10/15/2007	19	09/15/11	18
11/15/2007	19	10/15/11	18
12/15/2007	19	11/15/11	18
1/15/2008	19	12/15/11	17
2/15/2008	19	01/15/12	17
3/15/2008	19	02/15/12	17
4/15/2008	19	03/15/12	17
5/15/2008	19	04/15/12	17
6/15/2008	19	05/15/12	17
7/15/2008	19	06/15/12	17
8/15/2008	19	07/15/12	17
9/15/2008	19	08/15/12	17
10/15/2008	19	09/15/12	17
11/15/2008	19	10/15/12	17
12/15/2008	19	11/15/12	17
1/15/2009	19	12/15/12	17
2/15/2009	19	01/15/13	17
3/15/2009	19	02/15/13	17
4/15/2009	19	03/15/13	17
5/15/2009	19	04/15/13	17

SJ Basin Well Work Procedure

Well Name: Usselman GC C-1

Date: July 8, 2005

Repair Type: Recompletion

Objective: Recomplete to Fruitland Coal and Commingle with Existing Pictured Cliff Completion

1. Set Bridge Plug over Pictured Cliffs Completion.
2. Perforate and fracture Fruitland Coal (Basal Cahn)
3. Drill out bridge plug
4. Return well to production with commingle zones
5. Install compression

Pertinent Information:

Location:	T31N-R10W-Sec4	API #:	30-045-22223
County:	San Juan	FlacWell:	
State:	New Mexico	Engr:	Richard W. Pomrenke
Horizon:	Pictured Cliffs/Fruitland Coal		ph (281) 366-5023
			Cell (281) 455 8449
			fax (281) 366-0700

Procedure:

1. Check anchors. MIRU workover rig (Key Rig 66).
2. Check and record tubing, casing, and bradenhead pressures.
3. Blow down well. Kill with 2% KCL water ONLY if necessary.
4. 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.
5. Pull tubing hanger and shut pipe rams for 2 3/8" tubing and install stripping rubber.
6. RIH and tag bottom. TOH (measure pipe) using approved "Under Balance Well Control Tripping Procedure".
Contingency: If the tubing is in poor condition, replace entire tubing string.
7. Pick up bit for 4 1/2" 10.5#/ft casing and clean well to solid bottom = +/- 2852'. POOH
8. Rig up Schlumberger and test lubricator 200 psi low and 1500 psi high.

9. Attempt to load hole with 2%KCl fluid. Fluid level must be at least 2000' for interpretive results from the log. Run Coal Identification Log from PBTD to 2000'. Send results to Richard Pomrenke 281 366 7836 fax or email Richard.pomrenke@bp.com

Note: From the results of the Coal Identification log the exact perforations will be picked.

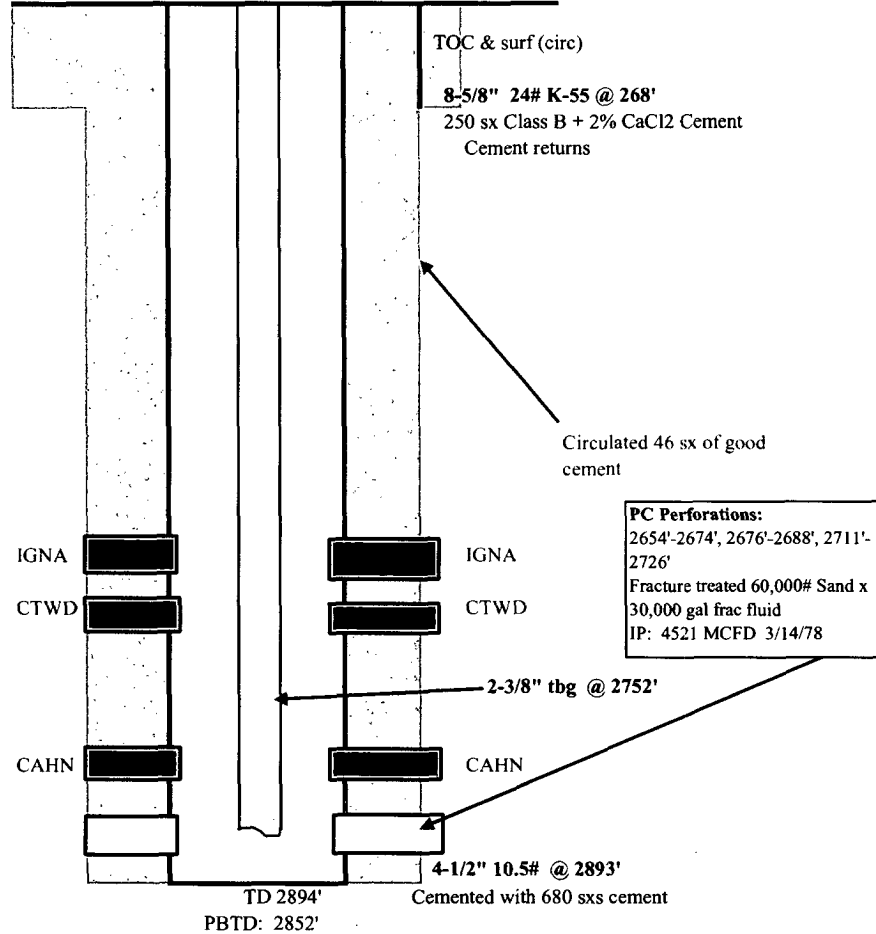
10. Set a drillable electric wireline set bridge plug in 4 ½" 10.5#/ft casing at 2642' correlated to 2/27/78 Compensated Density Log. (Do not set within 5 ft of a collar). **Load well with 2% KCl water and test casing to 3800 psi.** Note: The maximum fracture treating pressure will be 3000 psi.
11. If casing holds pressure, then, ND BOP's and NU Tree and install frac valve on 4 ½" casing. Move off rig.
12. Well will be scheduled for perforating and rig less fracture treatment.
13. Rig up Schlumberger mast truck and lubricator and test 250 psi low and 1500 psi high. Note: Schedule perforating no longer than 2 days prior to the fracture treatment
14. Perforate Fruitland Coal @ 2618'-2640' using 3 3/8" HSD-WC-DP 3406 PJ, HMX 6 SPF. The exact depth intervals may be adjusted based on previously run Coal ID Log.
15. Rig down Schlumberger lubricator and release.
16. Rig up 4 - frac tanks as per Schlumberger Stimulation Proposal dated 5/18/05
17. Establish injection rate, and proceed with fracture stimulation according to Schlumberger schedule. Maintain surface pressures ≤ 3000 psi during frac job.
18. Flowback frac immediately.
19. Move back in with Key Rig 66 and ND Tree and nipple up BOP's.
20. TIH with Tubing and bit and cleanout fill to CIBP and drill out plug and cleanout to PBTD 2852. Blow well dry.
21. RIH with 2 3/8" production tubing
22. Check all casing strings for pressure. ***Removal of BOP and installation wellhead will be performed under a dispensation for one (1) barrier on the backside.*** NDBOP, NUWH.
23. Retrieve tubing plugs with slick line. RDMO slick line unit.
24. Rig down workover unit and turn well over to production department for installation of compressor.

Current Diagram 5-12-05
Usselman GC C1 (Cedar Hill)

Sec 4, T31N, R10W

API: 30-045-2222300

5845' Ground Level Elevation



NOTES: 2/05 PC production

Updated: 5/12/2005 Richard Pomrenke