

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

2006 FEB 13 AM 11 59

SUBMIT IN TRIPLICATE - Other instructions on Reverse side

5. Lease Serial No.

SF-078566

6. If Indian, Allottee or tribe Name

7. Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Storey LS 1A

9. API Well No.

30-045-29248

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	Recompletion & 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 recomplete 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 recompletion 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 complete the subject well into the Otero Chacra Pool and commingle production Downhole with the existing Blanco Mesaverde production as per the attached procedure.

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.

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations.

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	
Name (Printed/typed) Mary Corley	Title Senior Regulatory Analyst
Signature <i>Mary Corley</i>	Date 2/6/2006
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	

Approved by <i>Matt Hobbs</i>	Title PETE ENG	Date 3/3/06
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 BLM-FFO		

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.

NMOC

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 30-045-29248	² Pool Code 82329	³ Pool Name Otero Chacra
⁴ Property Code 001133	⁵ Property Name Storey LS	⁶ Well Number 1A
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 6145' GR

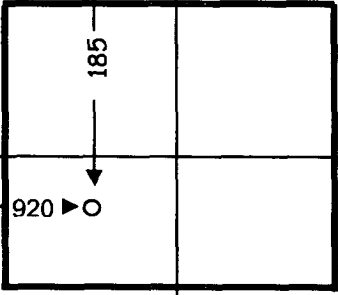
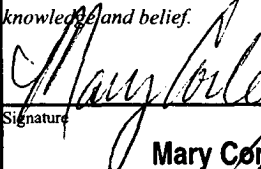
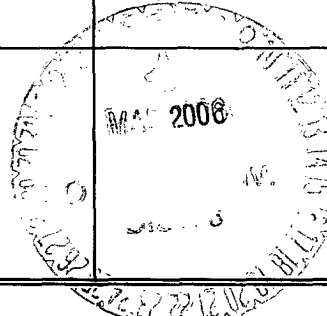
¹⁰ Surface Location

UL or lot no. Unit E	Section 27	Township 28N	Range 08W	Lot Idn	Feet from 1850	North/South North	Feet from 920	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 160	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

					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 2/6/2006 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:  Certificate Number

Storey LS 1A

Future Production Decline Estimate

Mesaverde Daily Rates

$$\ln(Q_i/Q_1) = -dt$$

$$Q_i = 118$$

$$Q_1 = 120$$

$$\text{rate} = 118$$

$$\text{time} = 3$$

$$dt = -0.016807118$$

$$\text{decline} = -0.005602373$$

Month	Gas Volume
Jan-2005	111
Feb-2005	102
Mar-2005	104
Apr-2005	107
May-2005	115
Jun-2005	100
Jul-2005	120
Aug-2005	125
Sep-2005	118
Oct-2005	109
Nov-2005	130
Dec-2005	123
Jan-2006	122
Feb-2006	121
Mar-2006	121
Apr-2006	120
May-2006	119
Jun-2006	119
Jul-2006	118
Aug-2006	117
Sep-2006	117
Oct-2006	116
Nov-2006	115
Dec-2006	115
Jan-2007	114
Feb-2007	113
Mar-2007	113
Apr-2007	112
May-2007	112
Jun-2007	111
Jul-2007	110
Aug-2007	110
Sep-2007	109
Oct-2007	108
Nov-2007	108
Dec-2007	107

Month	Gas Volume
Jan-2008	107
Feb-2008	106
Mar-2008	105
Apr-2008	105
May-2008	104
Jun-2008	104
Jul-2008	103
Aug-2008	103
Sep-2008	102
Oct-2008	101
Nov-2008	101
Dec-2008	100
Jan-2009	100
Feb-2009	99
Mar-2009	99
May-2009	98
Jun-2009	98
Jul-2009	97
Aug-2009	96
Sep-2009	96
Oct-2009	95
Nov-2009	95
Dec-2009	94
Jan-2010	94
Feb-2010	93
Mar-2010	93
Apr-2010	92
May-2010	92
Jun-2010	91
Jul-2010	91
Aug-2010	90
Sep-2010	90
Oct-2010	89
Nov-2010	89
Dec-2010	88
Jan-2011	88

Month	Gas Volume
Feb-2011	87
Mar-2011	87
Apr-2011	86
May-2011	86
Jun-2011	85
Jul-2011	85
Aug-2011	84
Sep-2011	84
Oct-2011	83
Nov-2011	83
Dec-2011	82
Jan-2012	82
Feb-2012	81
Mar-2012	81
Apr-2012	81
May-2012	80
Jun-2012	80
Jul-2012	79
Aug-2012	79
Sep-2012	78
Oct-2012	78
Nov-2012	77
Dec-2012	77
Jan-2013	77
Feb-2013	76
Mar-2013	76
Apr-2013	75
May-2013	75
Jun-2013	75
Jul-2013	74
Aug-2013	74
Sep-2013	73
Oct-2013	73
Nov-2013	72
Dec-2013	72
Jan-2014	72

Storey LS 1A

Future Production Decline Estimate

Mesaverde Daily Rates

Month	Gas Volume	Month	Gas Volume
Feb-2014	71	Feb-2017	58
Mar-2014	71	Mar-2017	58
Apr-2014	70	Apr-2017	58
May-2014	70	May-2017	57
Jun-2014	70	Jun-2017	57
Jul-2014	69	Jul-2017	57
Aug-2014	69	Aug-2017	56
Sep-2014	69	Sep-2017	56
Oct-2014	68	Oct-2017	56
Nov-2014	68	Nov-2017	55
Dec-2014	67	Dec-2017	55
Jan-2015	67	Jan-2018	55
Feb-2015	67	Feb-2018	54
Mar-2015	66	Mar-2018	54
Apr-2015	66	Apr-2018	54
May-2015	66	May-2018	54
Jun-2015	65	Jun-2018	53
Jul-2015	65	Jul-2018	53
Aug-2015	64	Aug-2018	53
Sep-2015	64	Sep-2018	52
Oct-2015	64	Oct-2018	52
Nov-2015	63	Nov-2018	52
Dec-2015	63	Dec-2018	51
Jan-2016	63	Jan-2019	51
Feb-2016	62	Feb-2019	51
Mar-2016	62	Mar-2019	51
Apr-2016	62	Apr-2019	50
May-2016	61	May-2019	50
Jun-2016	61	Jun-2019	50
Jul-2016	61	Jul-2019	50
Aug-2016	60	Aug-2019	49
Sep-2016	60	Sep-2019	49
Oct-2016	60	Oct-2019	49
Nov-2016	59	Nov-2019	48
Dec-2016	59	Dec-2019	48
Jan-2017	59	Jan-2020	48

Storey LS 1A
Perforate, Frac Chacra, and Downhole Comingling Chacra and Mesaverde
Feb 3, 2006

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 e-line unit. Pressure test lubricator and equipment. RIH and set composite bridge plug at +/- 4000'
4. Check and record casing, and bradenhead pressures. Ensure production casing has double casing valves installed. Double valve all casing strings.
5. LO/TO all necessary equipment including but not limited to: meter run, Automation, Separators and water lines.
6. 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. Meeting should address the VDR (vehicle data recorder) System that Bp people have installed on their vehicles.
7. RIH with 1-11/16" HSC perforating guns w/lubricator. Perforate Chacra formation:
8. 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 5,000 psi during frac job. Flush frac with foam. Fill out GWSI scorecard.
9. 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.
10. Rig up CTU. Pressure test all lines (Testing procedure to be supplied from CTU company), TIH with CT motor and bit for 2-7/8" casing. Cleanout fill to top of composite bridge plug at 4000'. Blow well Dry.
(contingency: If N2 unit is not available to use with CTU or there is a lot of fill in the MV section, will use regular rig for clean-out.)
11. RD CTU.
12. Test well for air. Return well to production.

updated: 08/19/02 az