RCVD APR26'07
OIL CONS. DIV.
DIST. 3

Form 3160-5
(August 1999)

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.

5. Lease Serial No.
SF- 078202 2007 APR 20 AM 10: 31

6. If Indian, Allottee or tribe Name
RECEIVED
BLM
210 FARMINGTON NM

SUBMIT IN TRIPLICATE – Other instructions on reverse side

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

1. Type of Well
☐ Oil Well ■ Gas Well ☐ Other

8. Well Name and No.
Schoen LS 2M

2. Name of Operator
BP AMERICA PRODUCTION COMPANY

9. API Well No.
30-045-34042

3a. Address
PO BOX 3092 HOUSTON, TX 77253

3b. Phone No. *(include area code)*
281-366-4081

10. Field and Pool, or Exploratory Area
BASIN DAKOTA & BLANCO MESAVERDE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1850' FNL & 1920' FWL; SEC 27 T30N R10W

11. County or Parish, State
SAN JUAN, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
■ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	■ Other **7" Casing Depth Change**
	■ Change Plans	☐ Plug and Abandon	☐ Water Disposal	
	☐ Convert to Injection	☐ Plug Back		

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 SUBMITTED APD ON 10/25/2006 AND APPROVAL WAS GRANTED 01/03/2007.

The original drilling plan (Form-46) called for the 7" intermediate casing set 4000' – 4554'.
The revised depth for the 7" casing is: 3016'. The Lead cement program will be adjusted from 399 sxs to adjusted amount of 245 sxs cement. Please see the Revised Drilling plan and Cement Program attached.

IF YOU HAVE ADDITIONAL QUESTIONS PLEASE CONTACT HARALD JORDAN @ 505-326-9202.

14. I hereby certify that the foregoing is true and correct
Name (Printed/typed)
Cherry Hlava | Title Regulatory Analyst

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

Signature *Cherry Hlava* | Date 04/18/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *Wayne Townsend* | Title Pet. Eng. | Date 7/24/07

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 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 witin its jurisdiction.

NMOCD

BP AMERICA PRODUCTION COMPANY 30-045-34042

DRILLING AND COMPLETION PROGRAM

~~10/23/2006~~ 04-17-06

Lease: Schoen LS **Well Name & No.** Schoen LS #2M **Field:** Blanco Mesaverde/Basin Dakota

County: San Juan, New Mexico **Surface Location:** 27-30N-10W: 1850' FNL, 1920' FWL

Minerals: Federal **Surface:** Lat: 36.7852864 deg; Long: -107.8736822 deg

Rig : H & P 292 **BH Location:** same

OBJECTIVE: Drill 260' below the top of the Two Wells Mbr, set 4-1/2" production casing, Stimulate DK, MF, and PL intervals.

METHOD OF DRILLING

TYPE OF TOOLS	DEPTH OF DRILLING
Rotary	0 - TD

LOG PROGRAM

Type	Depth Interval
Single Run	
Cased Hole	
RST- CBL	*TD to 1300'*
	Identify 4 ½" cement top

REMARKS:

The recommended TD is intended to penetrate the ENCN (~35') in order to evaluate, and possibly produce it. Offsetting wells encountered no water flow at this depth. See attached cross-section.

Please note the log interval extends from TD to 1300' (above the Ojo Alamo).

APPROXIMATE DEPTHS OF GEOLOGICAL MARKER

Actual GL: 6128 Estimated KB: 6,142.0'

Marker		SUBSEA	TVD	APPROX. MD
Ojo Alamo		4,788'	1,354'	1,354'
Kirtland		4,632'	1,510'	1,510'
Fruitland	*	4,008'	2,134'	2,134'
Fruitland Coal	*	3,746'	2,396'	2,396'
Pictured Cliffs	*	3,453'	2,689'	2,689'
Lewis	*	3,226'	2,916'	2,916'
Cliff House	#	1,960'	4,182'	4,182'
Menefee	#	1,688'	4,454'	4,454'
Point Lookout	#	1,185'	4,957'	4,957'
Mancos		822'	5,320'	5,320'
Greenhorn		-780'	6,922'	6,922'
Graneros (bent,mkr)		-831'	6,973'	6,973'
Two Wells	#	-883'	7,025'	7,025'
Paguate	#	-967'	7,109'	7,109'
Cubero	#	-1,020'	7,162'	7,162'
L. Cubero	#	-1,063'	7,205'	7,205'
Encinal Cyn	#	-1,108'	7,250'	7,250'
TOTAL DEPTH:		-1,143'	7,285'	7,285'

Probable completion interval * Possible Pay

SPECIAL TESTS

TYPE
None

REMARKS:

DRILL CUTTING SAMPLES			DRILLING TIME	
FREQUENCY	DEPTH		FREQUENCY	DEPTH
30'/10' intervals	3,016'	to TD	Geograph	0 - TD

MUD PROGRAM:

Interval	TypeMud	#/gal	Vis, sec/qt	/30 min	Other Specification
200'	Spud	8.8 - 9.0	Sufficient to clean hole.		
3,016'	Water/LSND	8.4 - 9.0		<9	Sweep hole while whilst water drilling, LCM onsite
7,285'	Air	1	1000 cfm for hammer		Volume sufficient to maintain a stable and clean wellbore

CASING PROGRAM:

CasingString	Depth	Size	Casing Size	Grade, Thread	Weight	Landing Point	Cement
Surface/Conductor	200'	13 1/2"	9-5/8"	H-40 ST&C	32#		cmt to surface
Intermediate	3,016'	8-3/4"	7"	J/K-55 ST&C	20#		cmt to surface
Production	7,285'	6-1/4"	4-1/2"	~~P-110~~ J-55	11.6#	DKOT	150' inside Intermediate - TOC survey required

CORING PROGRAM:

None

COMPLETION PROGRAM:

Rigless, 2-3 Stage Limited Entry Hydraulic Frac, FMC Unihead

GENERAL REMARKS:

Notify BLM/NMOCD 24 hours prior to Spud, BOP testing, and Casing and Cementing.

BOP Pressure Testing Requirements

Formation	Depth	Anticipated bottom hole pressure	Max anticipated surface pressure**
Cliffhouse	4,182'	500	0
Point Lookout	4,957'	600	0
Dakota	7,025'	2600	1054.5

Requested BOP Pressure Test Exception = 1500 psi ** Note: Determined using the following formula: ABHP – (.22*TVD) = ASP

Form 46 Reviewed by:	Logging program reviewed by:			
PREPARED BY:	**APPROVED:**	**DATE:**	**APPROVED:**	**DATE:**
HGJ JMP		23-Oct-06		
Form 46 7-84bw	For Drilling Dept.		For Production Dept.	

Cementing Program

30-045-34042

Well Name:	Schoen LS #2M		
Location:	27-30N-10W: 1850' FNL, 1920' FWL		
County:	San Juan	Well Flac	
State:	New Mexico	Formation:	Blanco Mesaverde/Basin Dakota
		KB Elev (est)	6142
		GL Elev. (est)	6128

Casing Program:

Casing String	Est. Depth (ft.)	Hole Size (in.)	Casing Size (in.)	Thread	TOC (ft.)
Surface	200	13.5	9.625	ST&C	Surface
Intermediate	3016	8.75	7	ST&C	Surface
Production -	7285	6.25	4.5	ST&C	2866

Casing Properties: (No Safety Factor Included)

Casing String	Size (in.)	Weight (lb/ft)	Grade	Burst (psi.)	Collapse (psi.)
Surface	9.625	32	H-40	2270	1400
Intermediate	7	20	K-55	3740	2270
Intermediate	7	23	N80	6340	3830
Production -	4.5	11.6	J-55	5350	4960

Mud Program

Apx. Interval (ft.)	Mud Type	Mud Weight
0 - SCP	Water/Spud	8.6-9.2
SCP - ICP	Water/LSND	8.6-9.2
ICP - ICP2	Gas/Air Mist	NA
ICP2 - TD	LSND	8.6 - 9.2

Recommended Mud Properties Prio Cementing:

PV	<20
YP	<10
Fluid Loss	<15

Cementing Program:

	Surface	Intermediate	Production
Excess %, Lead	100	75	40
Excess %, Tail	NA	0	40
BHST (est deg. F)	75	120	183
Special Instructions	1,6,7	1,6,8	2,4,6

1. Do not wash pumps and lines.
2. Wash pumps and lines.
3. Reverse out
4. Run Blend Test on Cement
5. Record Rate, Pressure, and Density on 3.5" disk
6. Confirm densitometer with pressurized mud scales
7. 1" cement to surface if cement is not circulated.
8. If cement is not circulated to surface, run temp. survey 10-12 hr. after landing plug.

Notes:

*Do not wash up on top of plug. Wash lines before displacing production cement job to minmize drillout.

Surface:

Preflush	20 bbl.	FreshWater	
Slurry 1	154 sx Class C Cement		195 cuft
TOC@Surface	+ 2% CaCl2 (accelerator)		
			0.4887 cuft/ft OH

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	15.2	1.27	5.8

Casing Equipment:

9-5/8", 8R, ST&C
1 Guide Shoe
1 Top Wooden Plug
1 Autofill insert float valve
Centralizers, as needed

Cementing Program

1 Stop Ring
1 Thread Lock Compound

Intermediate:

Fresh Water	20 bbl	fresh water		
Lead	245	sx Class "G" Cement		644 cuft
Slurry 1		+ 3% D79 extender		
TOC@Surface		+1/4 #/sk. Cellophane Flake		
		+ 5 lb/sk Gilsonite		
Tail	59	sx 50/50 Class "G"/Poz		75 cuft
Slurry 2		+ 2% gel (extender)		
500 ft fill		+1/4 #/sk. Cellophane Flake		0.1503 cuft/ft OH
		+ 2% CaCl2 (accelerator)		0.1746 cuft/ft csg ann
		+ 5 lb/sk Gilsonite		

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	11.4	2.63	15.8
Slurry 2	13.5	1.27	5.72

Casing Equipment: 7", 8R, ST&C
1 Float Shoe (autofill with minimal LCM in mud)
1 Float Collar (autofill with minimal LCM in mud)
1 Stop Ring
Centralizers as needed
1 Top Rubber Plug
1 Thread Lock Compound

Production:

Fresh Water	10 bbl	CW100		
Lead	186	LiteCrete D961 / D124 / D154		468 cuft
Slurry 1		+ 0.03 gps D47 antifoam		
TOC, 400' above 7" shoe		+ 0.5% D112 fluid loss		
		+ 0.11% D65 TIC		
Tail	146	sx 50/50 Class "G"/Poz		210 cuft
Slurry 2		+ 5% D20 gel (extender)		
1465 ft fill		+ 0.1% D46 antifoam		
		+ 1/4 #/sk. Cellophane Flake		
		+ 0.25% D167 Fluid Loss		
		+ 5 lb/sk Gilsonite		
		+0.1% d800, retarder		
		+0.15% D65, dispersant		
				0.1026 cuft/ft OH

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)	0.1169 cuft/ft csg ann
Slurry 1	9.5	2.52	6.38	
Slurry 2	13	1.44	6.5	Top of Mancos 5320

Casing Equipment: 4-1/2", 8R, ST&C
1 Float Shoe (autofill with minimal LCM in mud)
1 Float Collar (autofill with minimal LCM in mud)
1 Stop Ring
Centralizers, as needed
1 Top Rubber Plug
1 Thread Lock Compound