

Submit 3 Copies To Appropriate District
Office
District I
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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-26683
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Schwerdtfeger A LS (filed with BLM SF 079319)
8. Well Number 1A
9. OGRID Number 000778
10. Pool name or Wildcat Otero Chacra & Blanco Mesaverde

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)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator BP AMERICA PRODUCTION COMPANY	
3. Address of Operator P.O. BOX 3092 HOUSTON, TX 77079-2064	
4. Well Location Unit Letter <u>C</u> : <u>790</u> feet from the <u>North</u> line and <u>1850</u> feet from the <u>West</u> line Section <u>36</u> Township <u>28N</u> Range <u>09W</u> NMPM <u>SAN JUAN</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: DHC Application <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: RCVD AUG 25 '08 OIL CONS. DIV. DIST. 3 <input type="checkbox"/>
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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.

BP America Production Company requests permission to convert the subject well from a dual string to a single string & commingle production downhole from the Otero Chacra & Blanco Mesaverde as per the attached procedure.

The Chacra (82329) & the Blanco MV (72319) pools are Pre-Approved pools for Downhole commingling per NMOCD order R-11363. The working & overriding royalty interest owners in the proposed commingled pools are identical therefore no further notification is required.

Production is proposed to be allocated based on actual production from both the Chacra & MV pools. (Allocation percentages will be sent with subsequent sundry)

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

DHC 2927 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 8-22-08

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, **SEP 05 2008**
District #3 DATE

Conditions of Approval (if any):

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SJ Basin Downhole Commingling Procedure

API #: 30-045-26683

Well Name: Schwerdtfeger A LS 001A – CH / MV dual well
Date: August 15, 2008
Repair Type: Downhole Commingle
Location: T28N-R9W-Sec 36C
County: San Juan
State: New Mexico
Horizon: Chacra/Mesaverde
Engr: Audrey Rasmussen
ph (505) 326-9485

Objective: Remove short string tubing (CH), cleanout fill above packer, pluck packer, Pull long tubing string (MV), Clean out wellbore, TIH and reland single string of tubing, and return to production.

1. TOH with short tubing string set @ 3225'
2. Tag for fill above 7" full bore packer – C/O if necessary
3. TOH with long tubing string set @ 4511'
4. Mill and pluck packer @ 3420'
5. Tag for fill C/O to PBD
6. TIH with 2-3/8" tubing – land @ 4580'
7. Return well to production.

History: Well was spud and completed as a CH/MV dual well in 01/1986. Both sides of the dual well suffer from liquid loading and due to the downhole configuration artificial lift installation is not possible. Plan to pull the dual production tubing strings and run a single string of 2-3/8" tubing, install plunger lift and return to production.

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. Pressure test lubricator and equipment. RIH and set **two** barriers (CIBP, tbg collar stop w/plug, or plug set in nipple) for isolation in each tubing string. **May have to seek dispensation to kill PC zone as 1-1/4" tubing plugs are not available.**
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. LOTO all necessary equipment including but not limited to: meter run, automation, separator, and water line.
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 throughout workover.
9. Install stripping rubber, pull tubing hanger and shut pipe rams. Strip tubing hanger out of hole.
10. Tag for fill above 7" fullbore packer at 3065' and TOH with 1-1/4" production tubing currently set at 3026'.
11. If fill was detected above 7" full bore packer (3420'), TIH and cleanout fill above packer. TOH and LD 2-3/8" workstring.
12. TOH with 2-3/8" long production tubing currently set @ 4511'.
13. Mill slip elements on 7" full bore packer set at 3420' and retrieve packer with packer plucker.
14. RIH with bit and scraper for 7" casing. Check the distance between the top of the blind rams and the length of the bottomhole 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. Work casing scraper across Chacra perforations @ 3094'-3234'. TOH with bit and scraper.
15. RIH with bit and scraper for 4-1/2" casing. Check the distance between the top of the blind rams and the length of the bottomhole 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. Work casing scraper across MV perforations @ 4124'-4619'. TOH with bit and scraper.
16. Cleanout to PBTD 4741' to ensure wellbore is clean and dry. Reference Under-Balanced Well Control Tripping Procedure. TOH w/ workstring.
17. Rabbit tubing and RIH with new 2-3/8" yellow band production tubing. (With muleshoe, F-nipple with plug, 4 ft pup, X-nipple with plug).
18. Land 2-3/8" production tubing at +/-4580'. Lock down tubing hanger.
19. 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 the surface. Check all casing string for pressure. **The operations of removal of BOP's and installation of wellhead will be performed under a dispensation for one (1) barrier on the backside.**

20. 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.
21. RU WL unit. Run 1.91" OD brooch for 2-3/8" tubing. Broach out any tight spots noticed in WL trip. Pull plugs and set tubing stop for plunger. Communicate plunger equipment status to operations team personnel.
22. RD slickline unit.
23. Test well for air. Return well to production. RD and release all equipment. Remove all LOTO equipment.
24. Ensure all reports are loaded into DIMS. Print out summary of work and place in Wellfile. Discussion with production operations team about particulars of well when handing off the well file.

Schwerdtfeger ALS 1A

Sec 36, T28N, R9W

API # 30-045-26683

GL: 5908'

History:

Drilled and completed in 1/21/1986

Chacra Perforations

3094' - 3100' : 250 gal 15% HCl
 3212' - 3234' : 1000 gal 15% HCl
 frac'd w/ 140,000 # 20/40 sd

7" fullbore packer set @ 3420'

MV Perforations

Menefee: 4124'-4298'
 1000 gal 15% HCl
 frac'd w/ 52.5 K# 20/40 Snd
Point Lookout: 4387'-4619'
 2000 gal 15% HCl
 frac'd w/ 125 K# 20/40 Snd

