

Submit 3 Copies To Appropriate District Office  
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  
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  
Revised March 25, 1999

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. <b>30-045-31847</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE FEE
2. Name of Operator BP America Production Company Attn: Mary Corley		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 3092 Houston, TX 77253		7. Lease Name or Unit Agreement Name:  Price (Notified BLM of DHC intent on APD filing SF - 078390)
4. Well Location  Unit Letter <u>G</u> <u>2390</u> feet from the <u>North</u> line and <u>1630</u> feet from the <u>East</u> line  Section <u>13</u> Township <u>28N</u> Range <u>08W</u> NMPM San Juan County		8. Well No.  2M
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6412' GR		9. Pool name or Wildcat Basin Dakota & Blanco Mesaverde

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
<b>NOTICE OF INTENTION TO:</b> 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 COMPLETION <input type="checkbox"/> OTHER: Downhole Commingle <input checked="" type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

12. 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 recompilation.

On 08/13/2003, BP America Production Company submitted an application for permit to drill and complete the subject well into the Basin Dakota, produce the well in order to establish a production rate, isolate the zone, then add the Blanco Mesaverde and commingle production Downhole. APD Approved on 10/07/2003. BP now seeks NMOCD approval to Downhole commingle production in the subject well as per procedure on reverse side of this Form. The drilling operations are scheduled to begin the 2nd week of November, 2003.

The Basin Dakota (71599) & the Blanco Mesaverde (72319) Pools are Pre-Approved for Downhole Commingling per NMOCD Order R - 11363. The working interest owners are identical however royalty interest owners are not, therefore all interest owners are being notified by being furnished a copy of this application on October 9, 2003 via certified mail return receipt requested.

Production is proposed to be allocated based on a fixed percentage. We will perform a deliverability test on the Dakota, isolate the zone and complete into the Mesaverde. The deliverability test will be performed on the combined zones and Dakota rate will be subtracted from the total well stream to establish the Mesaverde rate.

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

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mary Corley TITLE Sr. Regulatory Analyst DATE 10/15/2003  
Type or print name Mary Corley Telephone No. 281-366-4491

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 8 DATE OCT 24 2003  
Conditions of approval, if any:

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**Price 2M**  
**Downhole Commingling Procedure**

1. Run TDT log
  2. Perforate Dakota
  3. Run Gauges to Dakota, leave overnight
  4. Retrieve Gauges and frac the Dakota (Slick Water)
  5. Clean out frac & flow back to stabilize production
  6. Run 2 3/8" tubing and perform 12 hour stabilized test on Dakota
  7. Set Bridge plug Between Mesaverde and Dakota
  8. Perforate and frac ( 2 Stage N2 Foam) the Mesaverde Formation
  9. Clean out frac and wellbore to PBTD
  10. Run Completion String and RDSU
  11. Put well on Line
  12. Perform well test on the Combined Mesaverde/Dakota production stream
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## **ROYALTY INTEREST OWNERS**

### **PRICE WELL 2M**

**BP AMERICA PRODUCTION COMPANY  
P O BOX 591  
TULSA, OK, 74102-0591**

**GIBSON FAMILY TRUST  
P O BOX 546  
TESUQUE, NM, 87574**

**GIBSON, BRIAN D  
66 C ARROYO HONDO TRAIL  
SANTA FE, NM, 87505**

**HAM, MABEL GLENN, REVOCABLE TRUST  
PO BOX 15040  
SANTA FE, NM, 87506-5040**

**HANSON MCBRIDE PETROLEUM  
COMPANY  
PO BOX 1515  
ROSWELL, NM, 88202-1515**

**HOWELL, JOHN A  
1250 HUMBOLDT #404  
DENVER, CO, 80218-2450**

**HUGHES, GLEN D  
2321 CANDELARIA NW  
ALBUQUERQUE, NM, 87107-3055**

**LELAND PRICE INC  
2107 CLAYTON AVE  
ARTESIA, NM, 88210-2567**

**MCLISH, H P  
633 17TH ST NO 1650  
DENVER, CO, 80202-3660**

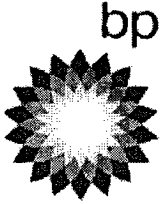
**MINERALS MANAGEMENT SERVICE  
ROYALTY MANAGEMENT PROGRAM  
PO BOX 5810 TA  
DENVER, CO, 80217-5810**

**PARNELL, ETHEL  
503 W DUARTE RD #5  
ARCADIA, CA, 91007-7325**

**PITKIN, JANE MANNING  
503 W DUARTE RD #6  
ARCADIA, CA, 91007-7325**

**SLAYTON, PAUL  
PO BOX 2035  
ROSWELL, NM, 88202-2035**

**WHITE, ELIZABETH H, FAMILY TRUST  
PO BOX 780099  
DALLAS, TX, 75378-0099**



BP America Production Company  
San Juan Performance Unit

Mary Corley  
WL1-19.171  
281-366-4491 (direct)  
281-366-0700 (FAX)  
[corleym1@bp.com](mailto:corleym1@bp.com)

P. O. Box 3092  
Houston, Texas 77253-3092  
501 Westlake Park Boulevard  
Houston, Texas 77079

October 15, 2003

Royalty Interest Owners

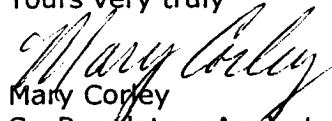
Downhole Commingling Notice  
Price Well No. 2M  
Basin Dakota & Blanco Mesaverde Pools  
Section 13, T28N, R08W  
San Juan County, New Mexico

This letter serves to advise you, as a royalty interest owner in Basin Dakota and/or Blanco Mesaverde Pools, that BP America Production Company is applying for New Mexico Oil Conservation Division (NMOCD) approval to commingle production downhole in the Price Well No. 2M.

Production is proposed to be allocated based on a fixed percentage. We will perform a deliverability test on the Dakota, isolate the zone and complete into the Mesaverde. The deliverability test will be performed on the combined zones and Dakota rate will be subtracted from the total well stream to establish the Mesaverde rate. Attached for your information a copy of the application submitted to the above named Regulatory Agency.

By copy of this application submitted by certified mail, return receipt requested, BP America Production Company is notifying all royalty interest owners and overriding royalty owners. The NMOCD District Director may approve the proposed downhole commingling in the absence of a valid objection from any affected party, if in their opinion, waste will not result by this action. As a royalty interest owner, if you do not have any objection to this application, you do not have to respond to this notification.

Yours very truly

  
Mary Corley  
Sr. Regulatory Analyst

New Mexico Oil Conservation Division  
1000 RIO Brazos RD.  
Aztec, New Mexico 87410