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

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

Form C-103
June 19, 2008

WELL API NO.
30-045-25498

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name
Schwerdfeger A

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number **2E**

2. Name of Operator
BP America Production Company

9. OGRID Number 000778

3. Address of Operator
P.O. Box 3092 Houston, Tx 77253-3092

10. Pool name or Wildcat
Otero Chacra

4. Well Location
Unit Letter L : 1520 feet from the South line and 1025 feet from the West line
Section 31 Township 28 N Range 08W San Juan County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☒						
OTHER:	☐			OTHER:	☐		

RCVD OCT 14'08
OIL CONS. DIV.
DIST. 3

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 respectfully request permission to complete into the Otero Chacra (82329) formation and downhole commingle with the existing Dakota formation. The Dakota (71599) & Chacra (82329) are Pre-Approved pools for downhole commingling per NMOCD order R-11363. **The working and overriding royalty interest owners in the proposed pools are identical and therefore no further notification is required.**

Production is proposed to be allocated based on the subtraction method using the projected future decline for production from the Basin Dakota. 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. The DK decline will be filed with the subsequent sundry.

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

DHC2944AZ

BLM notified on form 3160-5 lease NMSF-079319 on 10-8-2008

Spud Date: Rig Release Date:

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

SIGNATURE Kristen Holder TITLE Regulatory Analyst DATE 10/8/2008

Type or print name Kristen Holder E-mail address: PHONE: 281-504-0921

For State Use Only

APPROVED BY: TITLE Deputy Oil & Gas Inspector, District #3 DATE OCT 24 2008

Conditions of Approval (if any):

District I
1625 N French Dr., Hobbs, NM 88240
Phone (505) 393-6161 Fax (505) 393-0720
District II
1301 W Grand Ave., Artesia, NM 88210
Phone (505) 748-1283 Fax (505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3470 Fax (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 83074

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2. Pool Code	3 Pool Name	
	82329	OTERO CHACRA (GAS)	
4 Property Code	5 Property Name		6 Well No
1031	SCHWERDTFEGER A		002E
7 OGRID No	8 Operator Name		9 Elevation
778	BP AMERICA PRODUCTION COMPANY		

10. Surface Location

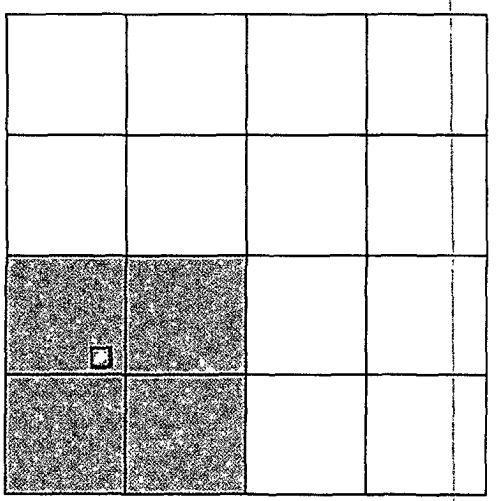
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	31	28N	08W		1520	S	1025	W	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County

12. Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No
137.59			

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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Kristen Holder
Title: Regulatory Analyst
Date: 10-8-2008

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.

Surveyed By: Fred Kerr Jr.
Date of Survey: 9/1/1981
Certificate Number: 3950

SJ Basin Well Work Regulatory Procedure

Well Name: **Schwerdtfeger A 2E**
API #: **30-045-25498**
Location: **T28N-R08W-Sec31**
Engr: **Matt Mientka (Phone 281.366.5721)**
Date: **October 3, 2008**

Objective: Recomplete well to include Chacra formation and downhole commingle Chacra and Dakota.

1. TOH with completion.
2. Run CBL log.
3. Perforate and frac Chacra
4. Clean out to TD and land tubing.
5. Return well to production, downhole commingle Chacra and Dakota

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Well History:

This well has been producing from the Dakota since 1982. The 2-3/8" tubing is landed at 7060' and the well is currently running with a plunger. Today the well produces approximately 100 mcfd.

The objective is to recomplete this well to include the Chacra horizon and commingle the production with the existing Dakota horizon. The job scope is to perforate and fracture stimulate the Chacra formation, clean out to TD, and commingle production after performing a 24 hour test on the Chacra. The anticipated uplift is 200 mcfd. A cast iron bridge plug will be set at 4000' to isolate the Dakota and Mesa Verde throughout the recomplete.

Notes :
Casing data : 7" K-55 intermediate casing @ 3100', Burst 3740 psi (75% burst = 2805 psi). 4 ½" production liner @ 2939' – 7193', 10.5#, K-55 ST&C; Burst 4790 psi (75% burst = 3592 psi).
PBTD: 6530'
Vertical well
Well site will require inspection and possible clearing for rig and fracture treatment
Isolation tool (stinger) required for stimulation treatment

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 made, call 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 or wireline 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 tubing string.

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. LO/TO all necessary equipment including but not limited to: meter run, Automation, Separators and water lines.

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 BOP's and diversion spool with 3" outlets and 3" pipe to the blow tank. Pressure test BOP's to 200 psi above BHP. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover.

9. Install stripping rubber, pull tubing hanger up above pipe rams, and shut pipe rams. Remove stripping rubber. Strip tubing hanger out of hole. Re-install stripping rubber.

10. TOH with 2-3/8" production tubing currently set at 7060'. Using approved "Under Balance Well Control Tripping Procedure". Visually inspect tubing while POOH, note any signs of pitting or corrosion and please document with pictures. Measure tubing out of hole. Recover isolation plugs from tubing.

11. PU and TIH with bit and 4 1/2" scraper. Check the distance between the top of the blind rams and the length of the bottom hole assembly that is being run. If the BHA is too long then the well has to be top killed and monitored prior to opening bind rams. POOH. Lay down 4 1/2" bit and scraper.

12. Pick up CIBP and 4-1/2" packer. TIH with plug and packer. Set plug at +/- 4000'. Pressure test bridge plug to ensure it is holding. Fill casing w/ 2% KCl. Set packer above plug and ensure it is holding. Test plug and casing above plug to 3200psi (~1500 @ surface).

13. Pressure test backside to 2800 psi @ TOL (~1500 psi @ surface).

14. RU E-line unit and equipment. Test lubricator and equipment.

15. **Log well w/ CBL from 4000' to surface.** Contact engineer after determining TOC in 4-1/2" liner to discuss perforation placement or need for remedial cement squeeze if cement coverage is inadequate for the pay-add or if integrity of casing appears sub-par. Transmit log data to Matt Mientka at matt.mientka@bp.com and Mark Durio at mark.durio@bp.com and please call to confirm at 281-366-5721.

16. If good cement is in place behind 4 ½" casing, 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. If someone has On Star on their vehicle they cannot enter closer than 300 foot. On Star cannot be turned off. PLEASE take special caution. This is

in conjunction with all cell phones, pagers, radios and any electronic devise that transmits a signal.

17. RIH with **3-1/8" HEG casing gun with 3 SPF 120 Degree Phasing** and perforate Chacra formation.

    NOTE: Verify final perf intervals with engineer/geologist.

    POOH with perforating guns.

18. Hold Risk Assessment (JHA) meeting prior to initiating pumping services. If casing is in good shape, frac stimulation will be pumped down the casing.

19. RU 10,000 psi frac isolation equipment (Stinger Isolation Tool).

20. RU frac equipment. **NOTE:** Frac tanks should be filled with fresh water, the KCl will be added on the fly.

21. Pressure test iron to Stinger frac valve at 5000 psi for 10 minutes. Function test treating line check valve during the prime and pressure test operation.

22. The frac is expected to pump at approximately 3000 psi. Maximum allowable treating pressure will be **3200 psi**.

23. Install and monitor production casing and treating pressure during entire job in frac van via pressure transducers on production casing and treating line. Be sure to monitor the casing annulus pressure throughout the duration of stimulation treatment.

24. Proceed with fracture stimulation according to Service Company schedule.

25. Flowback frac immediately. Flow well through choke manifold on 1/8", 1/4", 1/2" and 3/4" chokes slowly increasing drawdown until well dies or stabilizes. This is to aid in reducing sand flowback. Recommend 8 hours of flow for each choke size.

26. Rig up air package/unit, pressure test all lines (Testing procedure to be supplied from air company).

27. TIH with 2-3/8" tubing with notched collar (muleshoe) and float check valve.

28. Clean fill to CIBP set at 4000'

29. POOH with tubing and float.

30. RIH with tubing and wireline retrievable pump through plug. Hang off tubing at 3300'. Retrieve plug.

31. Flow test the Chacra for 24 hrs for regulatory, allocation, and deliverability purposes.

32. POOH with tubing.

33. TIH w/ tubing and bit for 4-1/2" casing. Drill out CIBP set at 4000'. Cleanout to PBTD at 7173'. Blow well dry.

34. RIH with 2-3/8" production tubing (with wireline entry guide, F-nipple with plug, 4 ft pup, X-nipple with plug).

35. Land 2-3/8" production tubing at +/- 7100' or depth determined from logs. Lock down 2-3/8" tubing hanger and bonnet. *verify final tubing depth with engineer.

36. 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 surface or above the hanger. 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.**

37. 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.

38. RU WL unit. Broach tubing for 2 3/8" plunger. Pull plugs. Set tubing stop for plunger and communicate plunger equipment status to IC room personnel.

39. RD WL unit.

40. Test well for air. Hook up well to surface facilities and return well to production and downhole commingle Chacra, Mesa Verde, and Dakota.

Wellbore Diagram:

WELL NAME:	Schwerdtfeger A 2E		
LOCATION:	1520' FSL	1025' FWL	
SEC/TWN/RNG	31	T28N	R8W
COUNTY, ST:	San Juan Co., NM		
WELL TYPE:	Gas		
BP WI:	100.0%	**NRI:**	67.5%

BCPD	BWPD	MCFD

DK IP
MV IP

SPUD DATE:	11/19/82
RIG REL:	11/30/82
COMP DATE:	12/13/82
FORMATION:	Dakota
API#:	30-045-25498

INTERMEDIATE CASING DESIGN

7"		
	K-55	20#/ft
SET @	2601'	
1st Stg CEMENT	295 Cu. Ft. Howco lite w/ 2% CaCl	
TAIL IN W/	118 Cu. Ft.cmt w/ 2% CaCl	
TOC	750'	
Det. By	Temp surv	

PRODUCTION LINER DESIGN

4 1/2"		
97 jnts	K-55 ST&C	10.5#
5 jnts	K-55 LT&C	11 6#
SET @	7193'	
CEMENT W/	400 sx Howco lite	
TAIL IN W/	150 sx Class 'B'	
CMT TOP @	liner top?	
DETER. BY	calc estimate	

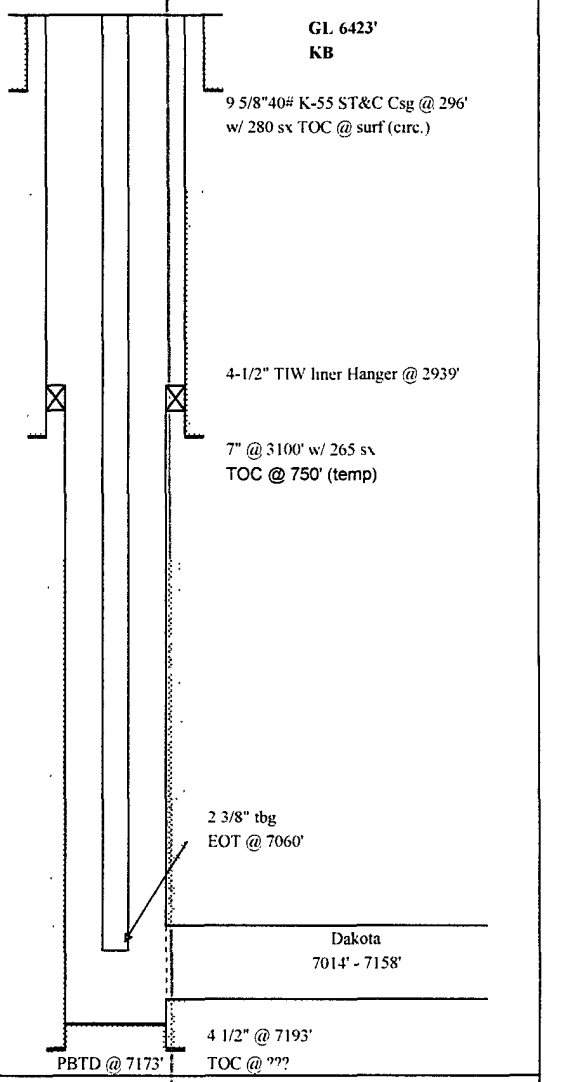
	PERF. DATA:	SPF	FORM.
1	7014' - 7038'	1	Dakota
1	7099' - 7107'	2	Dakota
1	7117' - 7122'	2	Dakota
1	7141' - 7144'	2	Dakota
1	7154' - 7158'	2	Dakota

TUBING DATA

2 3/8"	N-80
SET @	7060'
PACKER	
S.N ID / @	ID = 1 875 @ 7179 5' (RN nipple)
	ID = 1 780" @ 7184 (F Nipple)

Prepared By : Matt Mientka
Date : 3-Sep-08

Schwerdtfeger A 2E



FRAC JOB: (1) - 60,000 gal 40# XL gel w/ 89,000# sand 58 BPM @ 2200psi
ISIP 2250psi, 15min SIP, 1630psi