

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 2010

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.

MAY 14 2010

SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | | |
|--|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NM - 013860A |
| 2. Name of Operator BP America Production Company Attn: Cherry Hlava | | 6. If Indian, Allottee or tribe Name |
| 3a. Address P.O. Box 3092 Houston, TX 77253 | 3b. Phone No. (include area code) 281-366-4081 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1275' FSL & 945' FWL SEC 24 T28N R08W SWSW | | 8. Well Name and No. Russell 2 |
| | | 9. API Well No. 30-045-24050 |
| | | 10. Field and Pool, or Exploratory Area Dkota, MV & 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 checked="" type="checkbox"/> Recomplete <input type="checkbox"/> Other Chng Allocation Method |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> 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 recompleate 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 recompleation 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 request permission to change the allocation method from subtraction method to a percentage based on previous months production. The new allocation split will be: CH 64%; MV 32%; DK 4%

Please see attached spreadsheet

RCVD MAY 21 '10
OIL CONS. DIV.
DIST. 3

| | | |
|--|--|------------------------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/typed) Cherry Hlava | | Title Regulatory Analyst |
| Signature <i>Cherry Hlava</i> | | Date 05/10/2010 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|--|----------------------|------------------------|
| Approved by <i>Joe Huvitt</i> | Title GCO | Date 5-17-10 |
| 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 FFD | |

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.

NMOCDO

| | | | | | | | |
|-------------------------------------|--|---------------|--|---------------|-----------------|--------------------|-----------------|
| Russell 2 | | | | | | | |
| 3004524050 | Same Ownership | | % allocation chng filed 5-10-10 | | | | |
| | | | | | | | |
| Monthly Gas Production (mcf) | | | | | | | |
| | Month | Chacra | Mesaverde | Dakota | Chacra % | Mesaverde % | Dakota % |
| 2007 | Jan | 0 | 2438 | 364 | 0% | 87% | 13% |
| | Feb | 0 | 5463 | 816 | 0% | 87% | 13% |
| | Mar | 0 | 6051 | 904 | 0% | 87% | 13% |
| | Apr | 0 | 5479 | 819 | 0% | 87% | 13% |
| | May | 0 | 5211 | 779 | 0% | 87% | 13% |
| | Jun | 0 | 3379 | 505 | 0% | 87% | 13% |
| | Jul | 0 | 4458 | 666 | 0% | 87% | 13% |
| | Aug | 0 | 4599 | 687 | 0% | 87% | 13% |
| | Sep | 0 | 3478 | 520 | 0% | 87% | 13% |
| | Oct | 0 | 3593 | 537 | 0% | 87% | 13% |
| | Nov | 0 | 4687 | 700 | 0% | 87% | 13% |
| | Dec | 0 | 4248 | 635 | 0% | 87% | 13% |
| 2008 | Jan | 0 | 4190 | 626 | 0% | 87% | 13% |
| | Feb | 0 | 4684 | 700 | 0% | 87% | 13% |
| | Mar | 0 | 3775 | 571 | 0% | 87% | 13% |
| | Apr | 0 | 2340 | 343 | 0% | 87% | 13% |
| | May | 0 | 5487 | 820 | 0% | 87% | 13% |
| | Jun | 0 | 3049 | 456 | 0% | 87% | 13% |
| | Jul | 0 | 3882 | 573 | 0% | 87% | 13% |
| | Aug | 0 | 3517 | 530 | 0% | 87% | 13% |
| | Sep | 0 | 3482 | 514 | 0% | 87% | 13% |
| | Oct | 0 | 206 | 23 | 0% | 90% | 10% |
| | Nov | 0 | 0 | 0 | 0% | 0% | 0% |
| | Dec | 1293 | 228 | 0 | 85% | 15% | 0% |
| 2009 | Jan | 16902 | 4018 | 554 | 79% | 19% | 3% |
| | Feb | 11122 | 2679 | 354 | 79% | 19% | 3% |
| | Mar | 8132 | 3460 | 476 | 67% | 29% | 4% |
| | Apr | 9347 | 3721 | 544 | 69% | 27% | 4% |
| | May | 7467 | 3079 | 425 | 68% | 28% | 4% |
| | Jun | 8987 | 3577 | 524 | 69% | 27% | 4% |
| | Jul | 9717 | 3877 | 547 | 69% | 27% | 4% |
| | Aug | 8317 | 3064 | 438 | 70% | 26% | 4% |
| | Sep | 9600 | 3738 | 508 | 69% | 27% | 4% |
| | Oct | 8972 | 3506 | 501 | 69% | 27% | 4% |
| | Nov | 7488 | 3647 | 504 | 64% | 31% | 4% |
| | Dec | 6806 | 3368 | 481 | 64% | 32% | 5% |
| 2010 | Jan | 7244 | 3364 | 481 | 65% | 30% | 4% |
| | Feb | 6368 | 3329 | 470 | 63% | 33% | 5% |
| | | | | | | | |
| | Last 4 producing months stable percentage | | | | 64% | 32% | 4% |
| | | | | | | | |
| | | | | | | | |