

DATE IN <u>8/29/08</u>	SUSPENSE	ENGINEER <u>W Jones</u>	LOGGED IN <u>9/29/08</u>	DHC <u>1579A</u>	APP NO. <u>PKURO824238957</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATION WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Cherry Hlava

Cherry Hlava

Regulatory Analyst

8-27-08

Print or Type Name

Signature

Title

Date

hlavac1@bp.com
e-mail Address

RECEIVED
 2008 AUG 29 AM 10 43



BP America Production Company

Cherry Hlava
Regulatory Analyst
501 Westlake Park Boulevard, Rm 19.132
Houston, Texas 77079
281-366-4081

Aug. 28, 2008

RE: Permit to Down-hole Tri-Commingle
Florance T 123M API 30-045- 25564
Basin FC, Blanco MV & Basin Dakota
Section 03, T29N & R8W
San Juan County, New Mexico

Attention: Will Jones,

Just a quick note to let you know there is an existing MV & DK DHC 1579 approved 7/14/1997. We never DHC the well.

BP is now requesting to pull the Fruitland Coal short string and Tri-mingling with the MV & DK. Please see procedure and application attached.

Sincerely,

A handwritten signature in cursive script that reads "Cherry Hlava".

Cherry Hlava
Regulatory Analyst

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
Well
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
 X Single

APPLICATION FOR DOWNHOLE COMMINGLING

Establish Pre-Approved Pools
EXISTING WELLBORE
 X Yes No

Operator **BP America Production Company**

Address **P.O Box 3092 Houston, TX 77253**

Lease **Florance T** Well No. **123M** Unit Letter-Section-Township-Range **Unit M Section 3 T29N, R08W** County **San Juan**

OGRID No. **000778** Property Code **00552** API No. **30-045-25564** Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Fruitland Coal	Blanco Mesaverde	Basin Dakota
Pool Code	71629	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2843' - 2956'	4642' - 5333'	7294' - 7516'
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	460 psi	425	590
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1254	1023	1254
Producing, Shut-In or New Zone	producing	producing	T&A
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: May 2008 Rates: 1657 mcf	Date: May 2008 Rates: 1098 mcf	Date: 6/26/1997 T&A'd Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 33 % 43 %	Oil Gas 66% 42 %	Oil Gas 1% (Est) 15%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes X No

Will commingling decrease the value of production? Yes No X

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes X No

NMOCD Reference Case No. applicable to this well:

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Cherry Hlava TITLE Regulatory Analyst DATE 08/27/2008

TYPE OR PRINT NAME Cherry Hlava TELEPHONE NO. (281) 366-4081

E-MAIL ADDRESS hlavacl@bp.com

API 30-045-25564

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Amoco Production Company			Lease Florance T		Well No. 123M #123M
Unit Letter M	Section 3	Township 29N	Range 8W	County NMPM San Juan	
Actual Footage Location of Well: 910 feet from the FSL line and 960 feet from the FWL line					
Ground level Elev. 6307'	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal Gas		Dedicated Acreage: 324 W/2 Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>					
				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature <i>J.L. Hampton</i> Printed Name J.L. Hampton Position Sr. Staff Admin. Supr. Company Amoco Prod. Co. Date 4/22/92	
				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 knowledge and belief.	
				Date Surveyed "on file" Signature & Seal of Professional Surveyor Certificate No.	

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

311 South First., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
 Santa Fe, New Mexico 87505

Form C-102

Revised October 18, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3004525564	Pool Code 72319	Pool Name Blanco Mesaverde
Property Code 000552	Property Name Florance T	Well Number <i>123M</i> 123E
OGRID No. 000778	Operator Name AMOCO PRODUCTION COMPANY	Elevation 6307

Surface Location

UL or lot no. UNIT M	Section 03	Township 29N	Range 8W	Lot. Idn	Feet from the 910	North/South Line SOUTH	Feet from the 960	East/West Line WEST	County San Juan
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Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
Dedicated Acreage: 324.6	Joint or Infill	Consolidation Code	Order No.						

**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. 	
	Signature	
	Printed Name Pat Archuleta	
	Position Staff Assistant	
	Date 05/06/1997	
	SURVEY 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 knowledge and belief.	
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">11/15/1982</div>	
	Date of Survey	
	Signature & Seal of Professional Surveyor	
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Fred B. Kerr, Jr.</div>	
	Certificate No. 3950	

30-045-25564

OIL CONSERVATION DIVISION

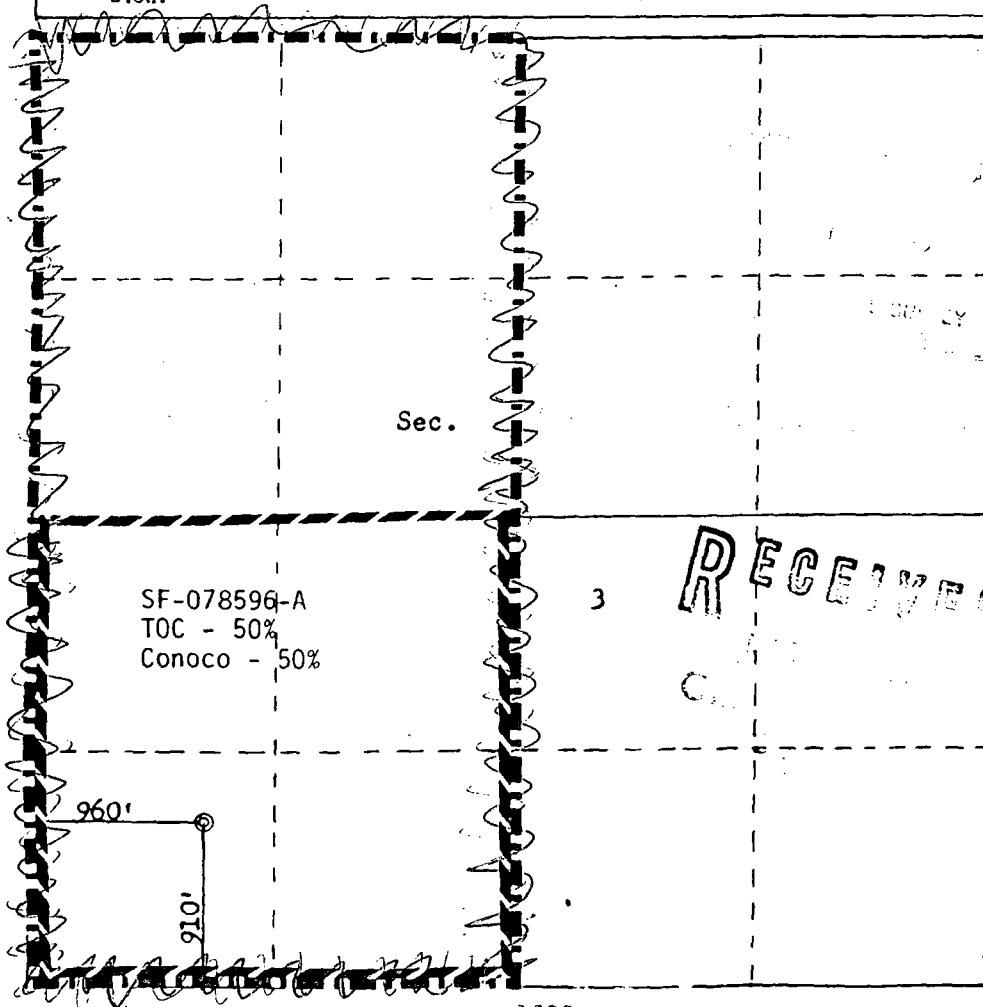
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator TENNECO OIL COMPANY		Lease Florence		Well No. 123 M 3235	
Unit Letter M	Section 3	Township 29N	Range 8W	County San Juan	
Actual Footage Location of Well: 910 feet from the South line and 960 feet from the West line					
Ground Level Elev. 6307	Producing Formation Basin Dakota		Pool Basin Dakota	Dedicated Acreage: 324.6 320/160 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes," type of consolidation _____</p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.</p>					



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	Denise Wilson
Position	Production Analyst
Company	Tenneco Oil Company
Date	March 9, 1983
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 knowledge and belief.	
Date Surveyed	September 30, 1982
Registered Professional Engineer and Land Surveyor	Fred B. Kerr Jr.
Certificate No.	3950

Well Name: Florance T 123M
Date: July, 25 2008
Repair Type: Well Servicing
Location: T29N-R08W-Sec03
State: San Juan Co., New Mexico
Horizon: FC/MV/DK

Engr: Matt Mientka
ph 281-366-5721

1. Pull short string.
2. Pull long string and remove packer.
3. Clean out and drill up CIBP above Dakota.
4. Install new 2 3/8"
5. Production string.
6. Return well to production 'tri-mingled' with plunger.

Well was drilled in 1983 and completed in the Dakota and Pictured Cliffs. In 1992, the PC was plugged and the Fruitland was perf'd and frac'd. During a recompleate in 1997, the Dakota was placed under a plug and the Mesa Verde was added. The Dakota plug was never removed and the well has been a dual (MV and FC) producer. Currently the Fruitland is producing well, with some loading issues, and the Mesa Verde

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. **See wellbore Diagram below for BHA details of each 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. 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. TOH with 2 3/8" short production tubing currently set at 2885'.
11. Pull Long string out of 7" model "D" packer set at 3117'. If tubing will not pull out of packer - RU WL and chemical cutters to cut tubing a few feet above packer depth. RD WL - then TOH and LD 2-3/8" production tubing (long string).
12. RIH with 2-3/8" workstring w/ mill and mill-off slip elements on 7" Model 'D' packer set at 3117' and retrieve packer with packer plucker and TOH. Packer was installed during MV payadd in 1997.
13. Rig up air package/unit, pressure test all lines (Testing procedure to be supplied from Air Company).
14. RIH with bit and scraper for 4-1/2" casing and cleanout to CIBP @ 5440'. 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. TOH with bit and scraper and workstring.
15. Before milling through CIBP, establish good air circulation and mist up air if necessary. **The DK and pressure below the plug is estimated at ~800 psi.**
16. Mill through Cast iron and clean out to Dakota PBTD of ~7560'. Ensure wellbore is clean and dry. Reference Under-Balanced Well Control Tripping Procedure. TOH w/ workstring.
17. POOH. Reference "Under Balanced Well Control Tripping Procedure".
18. TIH with new 2-3/8" J-55, 8rd, EUE tubing. Reference "Under Balanced Well Control Tripping Procedure".
19. Land new 2-3/8" production tubing at +/- 7500'. Lock down hanger.
20. 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 strings for pressure. The operations of removal of BOP and installation of wellhead will be performed under a dispensation for one (1) barrier on the backside.
21. 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 if capable.

22. RU WL unit. **Run gauge ring for 2-3/8" tubing and broach tubing.** Pull plugs and set tubing stop for plunger. Communicate plunger equipment status to IC room personnel.
23. RD slickline unit.
24. Test well for air. Return well to production.
25. Ensure all reports are loaded into DIMS. Print out summary of work and place in Wellfile. Have discussion with production engineer/optimizer about particulars of well when handing off the well file.



WELL NAME: Florance T 123M
LOCATION: 910' FSL 960' FWL
SEC/TWN/RNG: 3 T29N R8W
COUNTY, ST: San Juan Co., NM
WELL TYPE: Gas
BP WI: NRI:
BCPD BWPD MCFD

SPUD DATE: 10/14/83
RIG REL: 10/22/83
COMP DATE: 11/01/83
FORMATION: Mesa Verde / Fruitland Coal
API#: 30-045-25564

MV IP
FT IP
INTERMEDIATE CASING DESIGN
7"
82 jnts K-55 23#/ft
SET @ 3650'
1st Stg CEMENT 25 sx 65: 35 lite + 2% CaCl
TAIL IN W/ 184 sx CL-B + 2% CaCl
2nd Stg CEMENT 249 sx 65:35 Lite + 2% CaCl
TAIL IN W/ 50 sx CI-B + CaCl

PRODUCTION LINER DESIGN
4 1/2"
86 jnts (4047') K-55 10.5#
14 jnts K-55 11.6#
SET @ 3500' - 7560'
CEMENT W/ 20 BBL CW-100 w/ 243 sx 65:35 Poz
TAIL IN W/ 150 sx class 'B'
CMT TOP @
DETER. BY

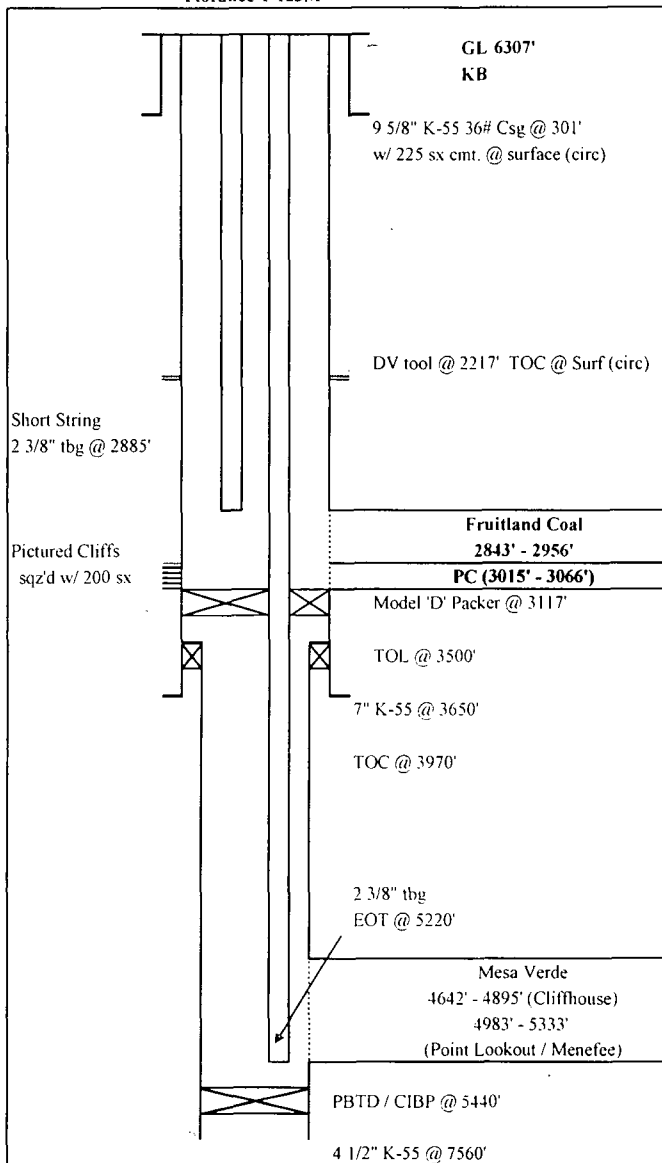
	PERF. DATA:	SPF	FORM.
6	4642' - 4895'		Cliffhouse
5	4983' - 5333'	15 holes	Pnt Lookout/ Men
4	2843' - 2883'	344 Hole	Fruitland
3	2896' - 2956'	248 Holes	Fruitland
	Plugged		
2	3015' - 3066'	28 holes	Pictured Cliffs
1	7294' - 7516'	35 holes	Dakota

TUBING DATA
2 3/8" J-55 4.7 #/ft

SET @ 5220'
PACKER
S.N ID / @

Prepared By : Matt Mientka
Date : 7-Jul-08

Florance T 123M



FRAC JOB: (1) - 67,000 gal 30# XL gel w/ 130,000# Sand
(2) - 695 bbl H2O (70Q N2 Foam) W/ 30# gel and 62,000# 20/40 sand
(3) - 179,000 gal slick H2O w/ 12,900# 40/70 and 125100# 20/40 Brady
(4) - 132212 gal Slick H2O w/ 9300# 40/70 and 37450 20/40 Brady
(5) - 676 bbl H2O + 109,611 scf N (70Q foam) w/ 100,000# AZ sand
(6) - 410 bbl H2O w/ 70,000# 16/30 AZ sand
NOTES: Originally drilled and dual completed DK and PC in 1983
In 1992 the PC was abandoned and the FT was perf'd and frac'd.
PC sqz'd w/ 200sx class 'B' cmt @ 1.5 BPM tested tp 1500# (Jun 92)
In 1997 DK was T&A under CIBP @ 5440'. MV was perfed and Frac'd.
Well was dual completed as FC and MV.