

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

WELL API NO.	30-045-31379
5. Indicate Type of Lease	STATE FEE
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name:	Mudge LS (BLM - SF- 078040)
8. Well No.	16M
9. Pool name or Wildcat	Basin Dakota & 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 Attn: Mary Corley
3. Address of Operator P.O. Box 3092 Houston, TX 77253	4. Well Location

Unit Letter <u>I</u> <u>1910</u> feet from the <u>South</u> line and <u>940</u> feet from the <u>East</u> line	10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6151' GR
Section <u>10</u> Township <u>31N</u> Range <u>11W</u> NMPM <u>San Juan</u> County	

11. 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 COMPLETION <input type="checkbox"/> OTHER: Downhole Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: 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 recompletion.
On 02/06/2003, BP America Production Company submitted an application for permit to drill and complete the subject well into the Basin Dakota, produce the well for 30 days to establish a production rate, add the Blanco Mesaverde and commingle production Downhole. The completion into the Dakota is expected to be completed in mid-May 2003, the Mesaverde completion will follow after the 30 day testing period.

The Basin Dakota (71599) & the Blanco Mesaverde (72319) Pools are Pre-Approved for Downhole Commingling per NMOCD Order R - 11363. The working and overriding royalty interest owners in the proposed commingled pools are not identical, therefore all interest owners are being notified of our intent to Downhole commingle and the proposed allocation method on April 2, 2003.

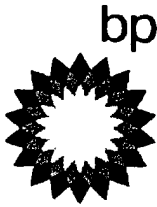
Production is proposed to be allocated based on a fixed percentage. We will perform a deliverability test on the Dakota, isolate the zone and complete into the Mesaverde. The deliverability test will be performed on the combined zones and Dakota rate will be subtracted from the total well stream to establish 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 <u>Mary Corley</u>	TITLE <u>Sr. Regulatory Analyst</u>	DATE <u>04/01/2003</u>
Type or print name <u>Mary Corley</u>	Telephone No. <u>281-366-4491</u>	

APPROVED BY <u>[Signature]</u>	TITLE <u>DEPUTY OIL & GAS INSPECTOR, DIST. #3</u>	DATE <u>APR 4 2003</u>
Conditions of approval, if any:		



San Juan Performance Unit

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

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

April 01, 2003

Working, Royalty, & Overriding Royalty Interest Owners

Downhole Commingling Notice
Mudge LS Well No. 16M
Basin Dakota Pool
Blanco Mesaverde Pool
Section 10, T31N, R11W
San Juan County, New Mexico

BP America Production Company is petitioning the New Mexico Oil Conservation Division for approval to commingle production downhole in the subject well. It is our intent complete the Mudge LS well No. 16M in the Basin Dakota Pool, produce the well for a period of 30 days to stabilize production and to perform pressure testing and flow rate testing for the purpose of allocating production from the Basin Dakota Pool and the Blanco Mesaverde Pool. After producing for 30 days and performing stabilized flow test the Basin Dakota formation will be isolated by setting a CIBP above the Basin Dakota Pool. The well will then be completed in the Mesaverde Pool. Our intent is to commingle production and perform a flow rate test for the combined zones. The production rate for the Mesaverde will be determined using the flow rate test for the combined pools and minus the Dakota flow test rate. The resulting volumes will be used to determine a fixed percentage rate to be allocated to each pool.

By copy of this application submitted by certified mail, return receipt requested, BP America Production Company is notifying all interest owners (royalty, working, and overriding royalty interest owners). The Division 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, working, or overriding 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

A handwritten signature in cursive script that reads "Mary Corley".
Mary Corley
Sr. Regulatory Analyst

Enclosures

Mudge LS 16M
2
3
4

BEAMON, R E, III
2603 AUGUSTA STE 1050
HOUSTON, TX, 77057-5640

BP AMERICA PRODUCTION COMPANY
(918) 925-6883
P O BOX 591
TULSA, OK, 74102-0591

CONOCO INC
CHASE BANK OF TEXAS
HOUSTON, TX, 77216-1940
HOUSTON, TX, 77216-1940

CONOCOPHILLIPS COMPANY
BOX 3223
TULSA, OK, 74101-3223

GILMER, CLAUDIA MARCIA LUNDELL
101 OAK MEADOWS DR
GEORGETOWN, TX, 78628

LANKFORD, GLORIA WYNNE
3501 ELM CREEK CT
FORT WORTH, TX, 76109-3110

LINDSEY, LINDA JEANNE LUNDELL
413 OLD UNION RD
NACOGDOCHES, TX, 75964

LUNDELL, ROBERT WALTER
2450 FONDREN #304
HOUSTON, TX, 77063-2306

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

PURE RESOURCES LP
ATTN OBO JOINT VENTURE ACCTG
500 W ILLINOIS ST
MIDLAND, TX, 79701

SCHULTZ, HENRIETTA E, TRUSTEE
LINCOLN PLAZA SUITE 2940 LB-1
500 NORTH AKARD
DALLAS, TX, 75201-3320

SMYER, JEANNETTE, TRUST
RICHARD SMYER TRUSTEE
3033 E 6TH ST #E2
TUCSON, AZ, 85716-4805

WARREN AMERICAN OIL COMPANY
PO BOX 470372
TULSA, OK, 74147-0372

XTO ENERGY INC
135 S LASALLE ST DEPT 4849
CHICAGO, IL, 60674-4849