

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**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.5. Lease Serial No.
NMNM03549

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
FLORANCE C LS 32. Name of Operator
BP AMERICA PRODUCTION COContact: MARY CORLEY
E-Mail: corleym@bp.com9. API Well No.
30-045-07263-00-D13a. Address
P. O. BOX 3092
HOUSTON, TX 772533b. Phone No. (include area code)
Ph: 281.366.4491
Fx: 281.366.070010. Field and Pool, or Exploratory
BLANCO MV/. PC
OTERO CHACRA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 19 T28N R8W NESW 1450FSL 1750FWL
36.64348 N Lat, 107.72440 W Lon11. County or Parish, and State
SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF 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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompletable 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 recompletable 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.)

On 01/13/2004, BP America submitted a request for permission to complete the subject well into the Otero Chacra and trimingle production downhole with the existing South Blanco Pictured Cliffs and Blanco Mesaverde Pools. Allocation was to be based on the subtraction method.

BP America now proposed to amend that application to base the allocation on a fixed percentage to be determined after the well is completed into the Chacra. Each zone will be tested to determine the percentage of the whole to be allocated to each zone. A test will be performed on the Mesaverde prior to initiating the recompletable into the Chacra. Upon completion into the Chacra a combined test will be performed on both the Chacra and the Pictured Cliffs, then the Pictured Cliffs will be isolated from the Chacra and the Chacra will be tested to determine the volume to be attributed to the Pictured Cliffs.

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

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #30981 verified by the BLM Well Information System
For BP AMERICA PRODUCTION CO, sent to the Farmington
Committed to AFMSS for processing by MATTHEW HALBERT on 06/10/2004 (04MXH1723SE)

Name (Printed/Typed) MARY CORLEY

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 05/20/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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

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.

NMOC

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #30981 that would not fit on the form

32. Additional remarks, continued

Please see attached documents supporting our application.

Florance C LS 3
Recomplete to Chacra formation, downhole commingle Pictured Cliffs, Chacra and Mesaverde

Procedure:

1. Check anchors. MIRU workover rig.
2. Check and record tubing, casing, and bradenhead pressures.
3. Blow down well. Kill with 2% KCL water ONLY if necessary.
4. Nipple down WH. NU BOPs and diversion spool with 3" outlets and 3" pipe to the blow tank. Pressure test BOPs to 500 psi. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover.
5. RU slickline unit or wireline unit. RIH and set plug (CIBP, tbg collar stop, or plug set in nipple) for isolation.
6. TOH and LD 1-1/4" short-string production tubing currently set at 2315' (this setting depth is questionable, b/c it would be below the top of liner).
7. Release 5-1/2" Baker 'EGJ' packer at 2410' and TOH with 2-3/8" long-string production tubing currently set at 4450' (Garrett sleeve at 2160').

Contingency: *If the tubing is in poor condition, replace entire tubing string.*

8. TIH with bit and scraper for 5-1/2" casing to PBTD at 4560'. Work casing scraper across Mesaverde perforations (4116' – 4552') and new Chacra interval (3060' – 3245').
9. RU WL unit. RIH with 5-1/2" CIBP. Set CIBP at 3400'.
10. Run CBL from 3400' to top of liner to confirm that top of cement is above 3,000'. If cement is not above 3,000' block squeeze at 3,000'.
11. RIH with 3-1/8" casing guns. Perforate Chacra formation (correlate to GR log) w/ 2 SPF (27 shots, 54 holes) at: 3244, 3240, 3236, 3232, 3228, 3224, 3216, 3212, 3208, 3204, 3200, 3196, 3192, 3188, 3184, 3180, 3080, 3078, 3076, 3074, 3072, 3070. 3068, 3066, 3064, 3062, 3060'.
12. RIH with 2-7/8" X 3-1/2" tapered frac string and 5-1/2" packer. Set packer at 2300'.
13. Spearhead 500 gal 15% HCL, establish injection rate, and proceed with fracture stimulation according to Schlumberger schedule. Maintain surface pressures \leq 3500 psi during frac job to stay within 80% of 5-1/2" casing burst rating. Flush frac with foam. Fill out GWSI scorecard.
14. Flowback frac immediately.

15. TIH with tubing and bit. Cleanout fill and drill bridge plug set at 3400'. Cleanout fill to PBTD. Blow well dry at PBTD.
16. Rabbit tubing and RIH with 2-3/8" production tubing (with a muleshoe and X-nipple with blanking plug). Fill tubing with KCL water while RIH.
17. Land 2-3/8" production tubing at 4450'.
18. Pressure test tubing to 500 psi with rig pumps.
19. Swab down tubing with sandline.
20. RU SL unit. Run gauge ring for 2-3/8" tubing. Pull plug and set tubing stop for plunger. RD slickline unit.
21. ND BOP's. NU WH. Test well for air. Return well to production and downhole commingle Chacra and Mesaverde production.

Florance C LS 3

Sec 19, T28N, R8W

API # 30-045-07263

GL: 5795'

History:

- Completed as MV/PC dual
in 8/57

1-1/4" 2.3#, 8 rd bg @ 2315'

Pictured Cliffs Perforation

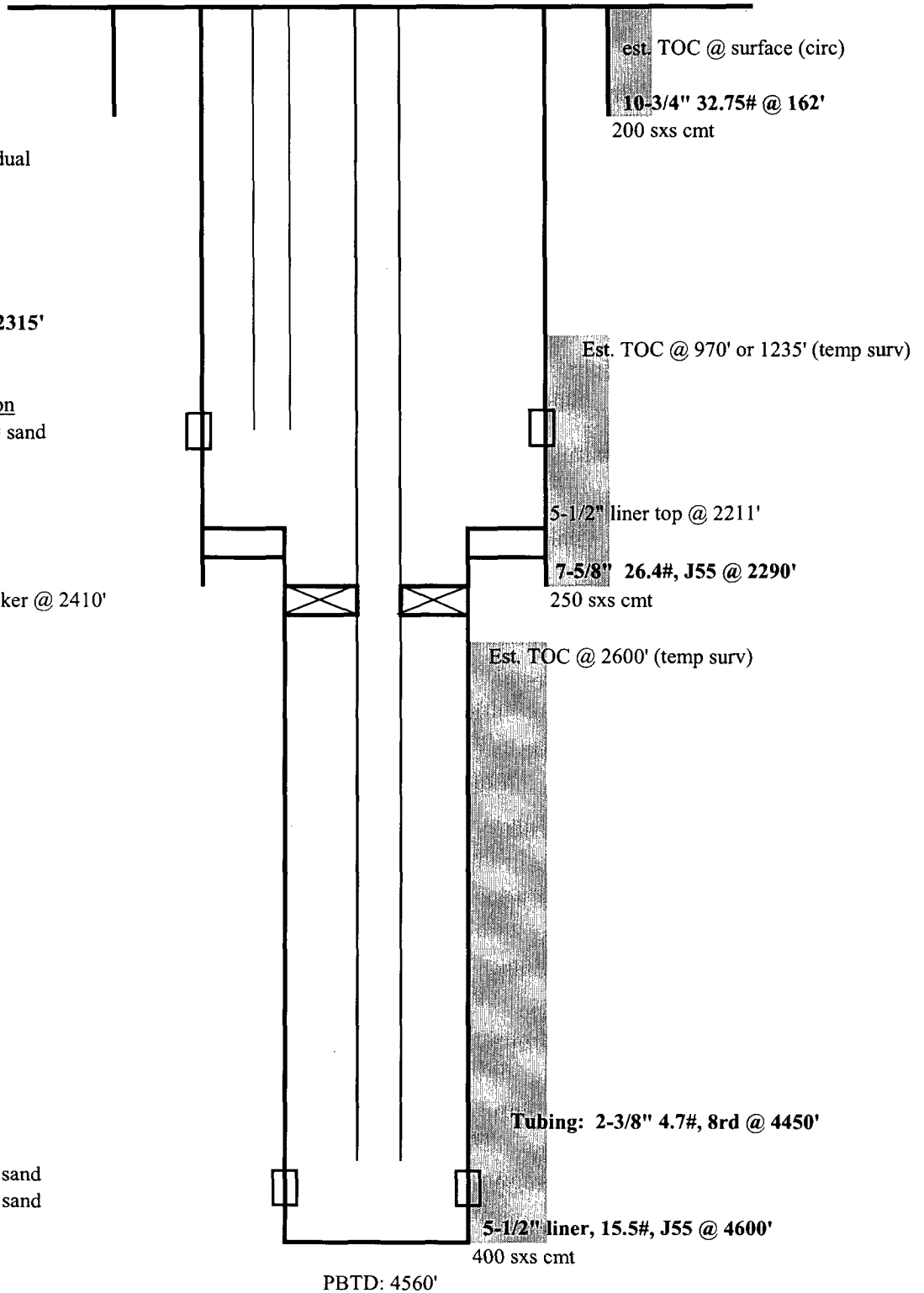
2106'-2154' w/ 40,000 # sand

5-1/2" Baker 'EGJ' packer @ 2410'

Mesaverde Perforations

4116'-4203' w/ 60,000 # sand

4316'-4552' w/ 60,000 # sand



updated: 10/17/03 CFR

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

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department**OIL CONSERVATION DIVISION**2040 South Pacheco
Santa Fe, NM 87505Form C-102
Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-07263	² Pool Code 82329	³ Pool Name Otero Chacra
⁴ Property Code 000326	⁵ Property Name Florance C LS	
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	
		⁶ Well Number 3
		⁹ Elevation 5795' GR

¹⁰ Surface Location

UL or lot no. Unit K	Section 19	Township 28N	Range 08W	Lot Idn	Feet from 1450'	North/South South	Feet from 1750'	East/West West	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet	East/West	County
¹² Dedicated Acres 160		¹³ Joint or Infill		¹⁴ Consolidation Code			¹⁵ 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

				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
				Signature Mary Corley
				Printed Name Sr. Regulatory Analyst
				Title 01/13/2004
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i>
				Date of Survey 06/06/1952
				Signature and Seal of Professional Surveyor: E O Walker
				Certificate Number

Allocation Method
Florance C LS 3

BP America Production Company request permission to complete the subject well into the Otero Chacra and tricomingle production downhole with the existing Blanco South Pictured Cliffs and Blanco Mesaverde Pools as per the attached procedure.

The interest owners are identical between these three Pools, therefore, no additional notification is required prior to downhole commingling approval.

Production is proposed to be allocated based on a fixed percentage. Each zone will be tested to determine the percentage of the whole to be allocated to each zone. A test will be performed on the Mesaverde prior to initiating the recompletion into the Chacra. Upon completion into the Chacra a combined test will be performed on both the Chacra and the Pictured Cliffs then the Pictured Cliffs will be isolated from the Chacra and the Chacra will be tested to determine the volume to be attributed to the Pictured Cliffs.

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

Application has also been submitted to BLM on Form 3160-5, Federal Lease No. SF – 03549.

Pre Approved Pools:

Blanco-Mesaverde (72319) & South Blanco-Pictured Cliffs (72439) Pools

Blanco-Mesaverde (72319) & Otero-Chacra (82329) Pools

South Blanco-Pictured Cliffs (72439) & Otero-Chacra (82329) Pools

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

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Artesia, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION FOR DOWNHOLE COMMINGLING

APPLICATION TYPE

☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

BP America Production Company P. O. Box 3092 Houston, TX 77253
Operator Address
Florance C LS **3** **Unit K Section 19 T28N, R08W** **San Juan**
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. **000778** Property Code **000527** API No. **30-045-07263** Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Pictured Cliffs S.	Otero Chacra	Blanco Mesaverde
Pool Code	72439	82329	72319
Top & Bottom of Pay Section (Perforated or Open-Hole Interval)	2106' - 2154'	3060' - 3244'	4054' - 4716'
Method of Production (Flowing or Artificial Lift)	Non-Producing	Flowing	Flowing
Bottomhole Pressure		430	480
Oil Gravity or Gas BTU (Degree API or Gas BTU)		1230	1355
Producing, Shut-In or New Zone	Non-Producing	New Zone	Producing
Date and Oil/Gas/Water Rates of Last Production.	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage	Oil Gas % %	Oil Gas % %	Oil Gas % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ 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 ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

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 ☐ 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 _____ TITLE **Sr. Regulatory Analyst** DATE **01/13/2004**

TYPE OR PRINT NAME **Mary Corley** TELEPHONE NO. (**281**) **366-4491**