

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.
NM-012201

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 ☐ Other

2. Name of Operator

BP AMERICA PRODUCTION COMPANY

Contact: MARY CORLEY

E-Mail: CORLEYML@BLM.COM

8. Well Name and No.
BLANCO LS 12A

3a. Address

HOUSTON, TX 77253

3b. Phone No. (include area code)

Ph: 281-366-4491

9. API Well No.

30-045-26542

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

Sec 36 T28N R8W NWNW 610FNL 920FWL

10. Field and Pool, or Exploratory

BLANCO MV & OTERO CHACRA

11. 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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other
Subsurface Commingling

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 recompleat 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 recompleat 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 America Production Company request permission to recompleat the subject well into the Otero Chacra and commingle production Downhole with the existing Blanco Mesaverde as per the attached procedure.

The Blanco Mesaverde (72319) and Otero Chacra (82329) Pools are Pre-Approved Pools for Downhole Commingling per NMOCD order R-11363. The working and overriding royalty interest owners in the proposed commingled pools are identical, therefore no further notification of this application is required.

Production is proposed to be allocated based on the subtraction method using the projected future decline for production from the Mesaverde. That production shall serve as a base for production subtracted from the total production for the commingled well. The balance of the production will

CONDITIONS OF APPROVAL

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

Adhere to previously issued stipulations. Electronic Submission #50879 verified by the BLM Well Information System
For BP AMERICA PRODUCTION COMPANY, sent to the Farmington
Committed to AFMSS for processing by MATTHEW HALBERT on 12/08/2004 ()

Name (Printed/Typed) MARY CORLEY

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 11/10/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Joe Hewitt

Title

Acting Team Lead

12-10-04
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

FDD

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #50879 that would not fit on the form

32. Additional remarks, continued

be attributed to the Chacra. Attached is the future production decline estimates for the Mesaverde.

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

Blanco LS # 12A
API #: 30-045-26542
Recompletion Into The Chacra and DHC With Mesaverde Procedure

Procedure:

1. Perform pre-rig site inspection. Check ID wellhead, if earth pit is required have One Call made 48 hours prior to digging.
2. RU slickline unit or wireline unit. Pressure test lubricator and equipment. RIH and set barriers for isolation in tubing string.
3. MIRU workover rig.
4. Blow down well. Kill with 2% KCL water ONLY if necessary.
5. Check all casing strings to ensure no pressure exist on any annulus
6. 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 (with casing flowing to blow tank) throughout workover.
7. RIH and tag fill, then TOH with 2-3/8" production tubing currently set at 5183'. Visually inspect tubing while POOH.

Contingency: *If the 2-3/8" tubing is in poor condition, replace entire tubing string.*

8. TIH with bit and scraper for 4-1/2" casing to PBTD. Work casing scraper across old Mesaverde perforations (4292' – 4674'), setting depth of CIPB (+/- 4000'), and then new Chacra interval. POOH.
9. RIH with 4-1/2" CIBP on pipe. Set CIBP @ +/- 4000'.
10. Load well with 2% KCl. Pressure test casing to 1800 psi with rig pumps. POOH.
11. RIH with 3-1/8" casing guns w/lubricator. Perforate Chacra formation (correlate to GR log). 125' gross, 15 spots @ 4 SPF=60 holes
3749', 3743, 3732, 3727, 3722, 3715, 3709, 3643, 3634, 3625, 3605, 3600, 3594, 3590', 3585'.
12. NU Frac Isolation equipment, Spearhead 500 gal 15% HCL, establish injection rate, and proceed with fracture stimulation according to Schlumberger schedule. Flush frac with foam.
13. Flowback frac immediately.
14. ND Frac isolation equipment.

15. Rig up air package/unit, pressure test all lines. TIH with tubing and bit for 4-1/2" casing. Cleanout fill to top of CIBP. **Perform well test on Chacra for regulatory and document well test in DIMS.** Then finish cleanout fill and drill bridge plug set at +/- 4000'. Cleanout fill to PBTD 5240'.
16. RIH with 2-3/8" production tubing.
17. Land 2-3/8" production tubing at +/- 4900'.
18. ND BOP's. NU Wellhead. Pressure test Wellhead.
19. RU WL unit. Run gauge ring for 2-3/8" tubing. Pull plugs and set tubing stop for plunger
20. RD slickline unit.
21. Test well for air. Return well to production and downhole co-mingle Chacra, and Mesaverde. RD and release all equipment.

Blanco LS 12 A

T28N, R8W, Sec 36

API # 30-045-26542

GL: 6172'

History:

Completed as a MV 11/85

sqz 150 sxs in casing leak 10/85

Mesaverde Perforations

4292'-4383' (72 holes) w/90,000 #'s sand
4557'-4674' (88 holes) w/109,000 #'s of sand
4848' - 4910' (86 holes) w/ 118000 #'s sand

CIBP pushed to bottom
11/22/85

PBTD: 5240'
TD: 5300'

est. TOC @ surface (circ)

9-5/8" 36# K55 @ 302'

250 sxs cmt (circulated 20 bbls to sur)

DV tool at 1293'

2nd stage 225 sxs

Est. TOC surface (cir 1 bbl to sur.)

4-1/2" liner hanger @ 3077'

7" 23#, K55 ST&C @ 3221'

275 sxs cmt

Est. TOC @ liner top CBL 10/85

Good bond from 4100' to liner top
10/25/85

Tubing: 2-3/8" 4.7#, J55 8rd @ 5183'

Sqz holes at 4848' sqz w/75 sxs

Sqz holes at 4959' sqz w/150 sxs, 2nd sqz 75 sxs

Sqz holes at 5204' sqz w/75 sxs

4-1/2" liner, 10.5#, K55 ST&C @ 5297'

380 sxs cmt

updated: 10/26/04 GKC

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 DepartmentOIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505Form C-102
Revised August 15, 2000Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-26542	² Pool Code 82329	³ Pool Name Otero Chacra
⁴ Property Code 000322	⁵ Property Name Blanco LS	⁶ Well Number 12A
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation

¹⁰ Surface Location

UL or lot no. Unit D	Section 36	Township 28N	Range 08W	Lot Idn	Feet from 610	North/South North	Feet from 920	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
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>
				<i>Mary Corley</i>
				Signature Mary Corley
				Printed Name Sr. Regulatory Analyst
				Title 11/08/2004
				Date
				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>
				8/19/1985
				Date of Survey 8/19/1985
				Signature and Seal of Professional Surveyor: Fred B Kerr 3950
				Certificate Number

Blanco LS 12A Future Production Decline Estimate Mesaverde Daily Rates

11/10/2004

Month	Gas Volume
Jan-2003	78
Feb-2003	77
Mar-2003	83
Apr-2003	82
May-2003	91
Jun-2003	79
Jul-2003	84
Aug-2003	82
Sep-2003	77
Oct-2003	74
Nov-2003	77
Dec-2003	83
Jan-2004	88
Feb-2004	73
Mar-2004	124
Apr-2004	91
May-2004	102
Jun-2004	85
Jul-2004	92
Aug-2004	91
Sep-2004	91
Oct-2004	90
Nov-2004	90
Dec-2004	89
Jan-2005	89
Feb-2005	88
Mar-2005	88
Apr-2005	87
May-2005	87
Jun-2005	86
Jul-2005	86
Aug-2005	85
Sep-2005	85
Oct-2005	84
Nov-2005	84
Dec-2005	83

$$\ln(Q_f/Q_i) = -dt$$

$$Q_f = 85$$

$$Q_i = 88$$

$$\text{rate} = 85$$

$$\text{time} = 6$$

$$dt = -0.034685558$$

$$\text{decline} = -0.491378738$$

Month	Gas Volume
Jan-2006	83
Feb-2006	82
Mar-2006	82
Apr-2006	81
May-2006	81
Jun-2006	80
Jul-2006	80
Aug-2006	79
Sep-2006	79
Oct-2006	78
Nov-2006	78
Dec-2006	77
Jan-2007	77
Feb-2007	76
Mar-2007	76
Apr-2007	75
May-2007	75
Jun-2007	74
Jul-2007	74
Aug-2007	73
Sep-2007	73
Oct-2007	72
Nov-2007	72
Dec-2007	71
Jan-2008	71
Feb-2008	71
Mar-2008	70
Apr-2008	70
May-2008	69
Jun-2008	69
Jul-2008	68
Aug-2008	68
Sep-2008	68
Oct-2008	67
Nov-2008	67
Dec-2008	66
Jan-2009	66

Month	Gas Volume
Feb-2009	65
Mar-2009	65
Apr-2009	64
May-2009	64
Jun-2009	63
Jul-2009	63
Aug-2009	62
Sep-2009	62
Oct-2009	61
Nov-2009	61
Dec-2009	60
Jan-2010	60
Feb-2010	59
Mar-2010	59
Apr-2010	58
May-2010	58
Jun-2010	57
Jul-2010	57
Aug-2010	56
Sep-2010	56
Oct-2010	55
Nov-2010	55
Dec-2010	54
Jan-2011	54
Feb-2011	53
Mar-2011	53
Apr-2011	52
May-2011	52
Jun-2011	51
Jul-2011	51
Aug-2011	50
Sep-2011	50
Oct-2011	49
Nov-2011	49
Dec-2011	48
Jan-2012	48

Blanco LS 12A Future Production Decline Estimate Mesaverde Daily Rates

11/10/2004

Month	Gas Volume
Feb-2012	47
Mar-2012	47
Apr-2012	46
May-2012	46
Jun-2012	45
Jul-2012	45
Aug-2012	44
Sep-2012	44
Oct-2012	43
Nov-2012	43
Dec-2012	43
Jan-2013	42
Feb-2013	42
Mar-2013	41
Apr-2013	41
May-2013	40
Jun-2013	40
Jul-2013	39
Aug-2013	39
Sep-2013	38
Oct-2013	38
Nov-2013	37
Dec-2013	37
Jan-2014	36
Feb-2014	36
Mar-2014	35
Apr-2014	35
May-2014	34
Jun-2014	34
Jul-2014	33
Aug-2014	33
Sep-2014	32
Oct-2014	32
Nov-2014	31
Dec-2014	31
Jan-2015	30

Month	Gas Volume
Feb-2015	30
Mar-2015	29
Apr-2015	29
May-2015	28
Jun-2015	28
Jul-2015	27
Aug-2015	27
Sep-2015	26
Oct-2015	26
Nov-2015	25
Dec-2015	25
Jan-2016	24
Feb-2016	24
Mar-2016	23
Apr-2016	23
May-2016	22
Jun-2016	22
Jul-2016	21
Aug-2016	21
Sep-2016	20
Oct-2016	20
Nov-2016	19
Dec-2016	19
Jan-2017	18
Feb-2017	18
Mar-2017	17
Apr-2017	17
May-2017	16
Jun-2017	16
Jul-2017	15
Aug-2017	15
Sep-2017	14
Oct-2017	14
Nov-2017	14
Dec-2017	13
Jan-2018	13