

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-07764
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Hughes C
8. Well Number 3
9. OGRID Number 000778
10. Pool name or Wildcat Blanco Mesaverde/Otero Chacra

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 ☒ Gas Well ☐ 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 **M** : **990** feet from the **South** line and **990** feet from the **West** line
Section **27** Township **29N** Range **08W** NMPM **San Juan** County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
64117' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type **Workover** Depth to Groundwater **>100'** Distance from nearest fresh water well **>1000'** Distance from nearest surface water **>1000'**

Pit Liner Thickness: **12** mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: **Complete into Chacra & DHC w/Mesaverde**

OTHER: ☐

13. 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.

BP America Production Company request permission to recomplete the subject well into the Otero Chacra Pool 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 additional notification is required. BLM has been notified via FORM 3160-5. 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 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

Construct a lined workover pit per BP America – San Juan Basin Drilling/ Workover Pit Construction Plan issued date of 11/17/2004. Pit will be closed according to closure plan on file.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Mary Corley TITLE Sr. Regulatory Analyst DATE 03/10/2005
Type or print name Mary Corley E-mail address: corleyml@bp.com Telephone No. 281-366-4491

For State Use Only
APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 89 DATE MAR 14 2005
Conditions of Approval (if any): _____

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 30-045-07764	² Pool Code 82329	³ Pool Name Otero Chacra
⁴ Property Code 000703	⁵ Property Name Hughes C	⁶ Well Number 3
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 6411' GR

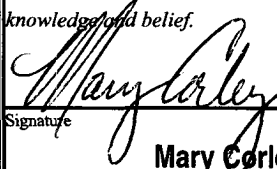
¹⁰ Surface Location

UL or lot no. M	Section 27	Township 29N	Range 08W	Lot Idn	Feet from 990	North/South South	Feet from 990	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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Mary Corley Printed Name Sr. Regulatory Analyst Title 3/10/2005 Date	
	¹⁸ 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 belief. On File Date of Survey Signature and Seal of Professional Surveyor: On File Certificate Number	

Hughes C 3
API #: 30-045-0776
Complete into the Chacra and DHC with the Mesaverde
February 21, 2005

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 or wireline 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 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. LO/TO all necessary equipment including but not limited to: meter run, Automation, Separators and water lines.
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 (with casing flowing to blow tank) throughout workover.
9. Install stripping rubber, pull tubing hanger up above pipe rams, and shut pipe rams. Remove stripping rubber. Strip tubing hanger out of hole. Re-install stripping rubber.
10. TOH and LD 2-3/8" production tubing currently set at 5364'. Using approved "Under Balance Well Control Tripping Procedure".
11. TIH w/ scraper for 4-1/2". Check the distance between the top of the blind rams and the length of the bottom hole 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. RIH to PBTd at 5,594'. POOH.
12. Set bridge plug at 4,500'. Fill casing w/ 2%KCl and test to 2,500 psi w/ rig pumps.
13. Prepare for explosive operations. Follow Schlumberger Explosive SOP including radio silence, suspension of welding operations, and isolation of electrical devices from the work area. Perform Pre-job Safety Meeting to review JSA and procedures.
14. RIH with 3-1/8" casing guns w/lubricator. Perforate Chacra formation w/ 4 SPF.

15. NU Frac isolation equipment. Install and monitor production casing and treating pressure during entire job in frac van via pressure transducers on production casing and treating line. Spearhead 500 gal 15% HCL, establish injection rate, and proceed with fracture stimulation according to Schlumberger schedule. Maintain surface pressures less than 3,000 psi during frac job. Flush frac with foam. Fill out GWSI scorecard.
16. Flowback frac immediately. Flow well through choke manifold on 1/4", 1/2" and 3/4" chokes increasing drawdown until well dies or stabilizes. This is to aid in reducing sand flowback. Recommend 8 hours of flow for each choke size.
17. Rig up air package/unit, pressure test all lines (Testing procedure to be supplied from air company), TIH with tubing and bit for 4-1/2" casing. Cleanout fill to top of BP set at 4,500'. **Perform well test on Chacra for regulatory and document well test in DIMS.**
18. Cleanout fill, cement retainer, and BP set at 4,500'. Cleanout to PBTD at 5,594'. Blow well dry.
19. Rabbit tubing and RIH with 2-3/8" production tubing (with muleshoe, F-nipple with plug, 4 ft pup, X-nipple with plug).
20. Land 2-3/8" production tubing at +/-5,380'. Lock down hanger.
21. 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 string for pressure. **The operations of removal of wellhead and installation of BOP's will be performed under a dispensation for one (1) barrier on the backside.**
22. 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.
23. RU WL unit. Run gauge ring for 2-3/8" tubing. Pull plugs and set tubing stop for plunger. Communicate plunger equipment status to IC room personnel.
24. RD slickline unit.
25. Test well for air. Return well to production and downhole co-mingle Chacra and Mesaverde.

Hughes C#3

Sec 27, T29N, R8W

API# 30-045-07764

GL 6041'

History:

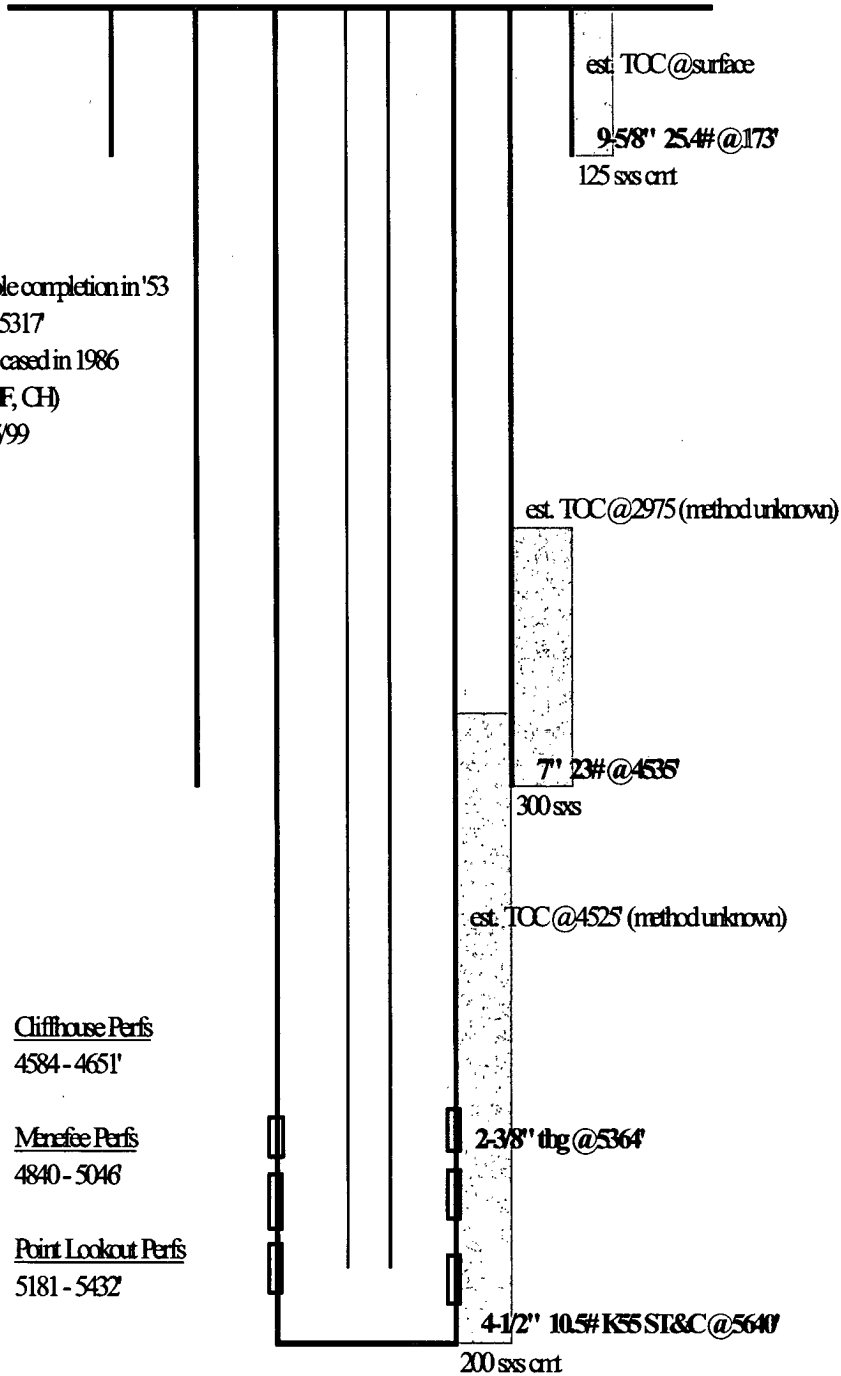
Originally open-hole completion in '53

Nitro frac'd 4587 - 5317

OH drilled out and cased in 1986

3 stage frac (PL, MF, CH)

cleaned out fill in 5/99



PBID: 5594

TD: 5638

updated: 2/21/05 CFR

Hughes C 3

Future Production Decline Estimate

Mesaverde Daily Rates

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

$$Q_f = 155$$

$$Q_i = 157$$

$$\text{rate} = 155$$

$$\text{time} = 6$$

$$dt = -0.012820688$$

$$\text{decline} = -0.002136781$$

Month	Gas Volume
Jan-2004	130
Feb-2004	171
Mar-2004	166
Apr-2004	163
May-2004	138
Jun-2004	71
Jul-2004	143
Aug-2004	150
Sep-2004	157
Oct-2004	155
Nov-2004	161
Dec-2004	163
Jan-2005	158
Feb-2005	155
Mar-2005	155
Apr-2005	154
May-2005	154
Jun-2005	154
Jul-2005	153
Aug-2005	153
Sep-2005	153
Oct-2005	152
Nov-2005	152
Dec-2005	152
Jan-2006	151
Feb-2006	151
Mar-2006	151
Apr-2006	150
May-2006	150
Jun-2006	150
Jul-2006	149
Aug-2006	149
Sep-2006	149
Oct-2006	149
Nov-2006	148
Dec-2006	148

Month	Gas Volume
Jan-2007	148
Feb-2007	147
Mar-2007	147
Apr-2007	147
May-2007	146
Jun-2007	146
Jul-2007	146
Aug-2007	145
Sep-2007	145
Oct-2007	145
Nov-2007	144
Dec-2007	144
Jan-2008	144
Feb-2008	144
Mar-2008	143
Apr-2008	143
May-2008	143
Jun-2008	142
Jul-2008	142
Aug-2008	142
Sep-2008	142
Oct-2008	141
Nov-2008	141
Dec-2008	141
Jan-2009	140
Feb-2009	140
Mar-2009	140
Apr-2009	140
May-2009	139
Jun-2009	139
Jul-2009	139
Aug-2009	138
Sep-2009	138
Oct-2009	138
Nov-2009	138
Dec-2009	137
Jan-2010	137

Month	Gas Volume
Feb-2010	137
Mar-2010	136
Apr-2010	136
May-2010	136
Jun-2010	135
Jul-2010	135
Aug-2010	135
Sep-2010	135
Oct-2010	134
Nov-2010	134
Dec-2010	134
Jan-2011	133
Feb-2011	133
Mar-2011	133
Apr-2011	133
May-2011	132
Jun-2011	132
Jul-2011	132
Aug-2011	131
Sep-2011	131
Oct-2011	131
Nov-2011	131
Dec-2011	130
Jan-2012	130
Feb-2012	130
Mar-2012	130
Apr-2012	129
May-2012	129
Jun-2012	129
Jul-2012	128
Aug-2012	128
Sep-2012	128
Oct-2012	128
Nov-2012	127
Dec-2012	127
Jan-2013	127

Hughes C 3
Future Production Decline Estimate
Mesaverde Daily Rates

Month	Gas Volume
Feb-2013	127
Mar-2013	126
Apr-2013	126
May-2013	126
Jun-2013	125
Jul-2013	125
Aug-2013	125
Sep-2013	125
Oct-2013	124
Nov-2013	124
Dec-2013	124
Jan-2014	124
Feb-2014	123
Mar-2014	123
Apr-2014	123
May-2014	123
Jun-2014	122
Jul-2014	122
Aug-2014	122
Sep-2014	121
Oct-2014	121
Nov-2014	121
Dec-2014	121
Jan-2015	120
Feb-2015	120
Mar-2015	120
Apr-2015	120
May-2015	119
Jun-2015	119
Jul-2015	119
Aug-2015	119
Sep-2015	118
Oct-2015	118
Nov-2015	118
Dec-2015	118
Jan-2016	117

Month	Gas Volume
Feb-2016	117
Mar-2016	117
Apr-2016	117
May-2016	116
Jun-2016	116
Jul-2016	116
Aug-2016	116
Sep-2016	115
Oct-2016	115
Nov-2016	115
Dec-2016	115
Jan-2017	114
Feb-2017	114
Mar-2017	114
Apr-2017	114
May-2017	113
Jun-2017	113
Jul-2017	113
Aug-2017	113
Sep-2017	112
Oct-2017	112
Nov-2017	112
Dec-2017	112
Jan-2018	112
Feb-2018	111
Mar-2018	111
Apr-2018	111
May-2018	111
Jun-2018	110
Jul-2018	110
Aug-2018	110
Sep-2018	110
Oct-2018	109
Nov-2018	109
Dec-2018	109
Jan-2019	109