

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | | |
|--|--|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. SF - 080112 |
| 2. Name of Operator BP America Production Company Attn: Cherry Hlava | | 6. If Indian, Allottee or tribe Name |
| 3a. Address P.O. Box 3092 Houston, TX 77253 | | 7. Unit or CA/Agreement, Name and/or No. |
| 3b. Phone No. (include area code) 281-366-4081 | | 8. Well Name and No. Riddle F LS 5 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 790' FNL & 1090' FEL Sec 32 T28N R08W | | 9. API Well No. 30-045-07052 |
| | | 10. Field and Pool, or Exploratory Area Blanco MVI Blanco S PC & Otero Chacra |
| | | 11. County or Parish, State San Juan County, New Mexico |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR 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 type="checkbox"/> Abandon |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Water Disposal | |
| | <input type="checkbox"/> Injection | <input type="checkbox"/> Plug Back | <input checked="" type="checkbox"/> Other | |

Recompletion & Downhole Commingle

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 recomplete 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 recompletion 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 complete the subject well into the Otero Chacra Pool and commingle production Downhole with the existing Blanco Mesaverde & S. Pictured Cliffs production as per the attached procedure.

Production is proposed to be allocated based on the subtraction method using the projected future decline for production from the Pictured Cliffs and Mesaverde Pools. This 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 are the future production decline estimates for the Pictured Cliffs & Mesaverde Pools.

Adhere to previously issued stipulations.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Form C-107A is being submitted (copy attached) to NMOCD for their approval.

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

| | |
|---|------------------------------------|
| 14. I hereby certify that the foregoing is true and correct | |
| Name (Printed/typed) Cherry Hlava | Title Regulatory Analyst |
| Signature <i>Cherry Hlava</i> | Date 05/09/2006 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | |

| | | |
|---|---------------------------|------------------------|
| Approved by <i>Mark Halbert</i> | Title <i>PETR. ENG</i> | Date <i>5-19-06</i> |
| 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 <i>BLM- FFO</i> | | |

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.

NMOCD

SJ Basin Tri-Mingle Procedure

Well Name: Riddle F LS 5
Date: May 2, 2006
Location: T28N-R8W-Sec32
API #: 30-045-07052
County: San Juan
State: New Mexico
Horizon: Mesaverde/PC add Chacra

Objective: Perforate and frac Chacra, and downhole tri-mingle PC, Mesaverde & Chacra

1. TOH with completion.
2. Perforate and fracture Chacra.
3. Land tbg and return well to production.
4. Downhole tri-mingle PC, Chacra, and Mesaverde.

Procedure:

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 both tubing strings.
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. BOP should be equipped with 1 1/4" offset pipe ram. 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, shut-in pipe rams, remove stripping rubber. Strip tubing hanger OOH. Re-install stripping rubber.
10. TOH and LD 1-1/4" EUE production tubing currently set at 2312'. Using approved "Under Balance Well Control Tripping Procedure".
11. Change BOP pipe ram and stripping rubber to 2". TOH w/ packer and 2" production tubing currently set at 4671'. Using approved "Under Balance Well Control Tripping Procedure".
12. TIH w/ 5-1/2" scraper. 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 4,770'. POOH.
13. Set composite bridge plug at 4,377'. Fill casing w/ 2%KCl from the bottom to PC (2250') with +/- 53 bbls.
14. RU E-line equipment. Pressure test lubricator and equipment. Log well w/ CBL from 4,377' to TOL'. Contact Jesse Gracia after determining TOC to discuss packer placement or remedial cement squeeze.
15. 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. Meeting should address the VDR (vehicle data recorder) System that Bp people have installed on their vehicles. They must be shut off at the 300 foot sign by hitting 00 and then the enter button, and then wait for about 5 minutes for the unit to turn off. When the green light goes out, call the control center at 326-9475. This number is on a pickup list in the Optimizer room and should be your first point of contact followed by the front desk then the weekend pager. Verify the unit is not transmitting. You then can drive to location and park, but do not to exceed 10 Miles/hr. Note: 20 MPH will turn unit back on. If someone has On Star on their vehicle they cannot enter closer than 300 foot. On Star cannot be turned off. PLEASE take special caution. This is in conjunction with all cell phones, pagers, radios and any electronic device that transmits a signal.
16. RIH with 3-1/8" casing guns w/lubricator and perforate Menefee formation. (50 Holes Total)
2 SPF
17. RIH w/ 3-1/2" frac string and 5 1/2" x 3 1/2" packer. Set packer at +/-2390'.
18. 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 5,000 psi during frac job. Flush frac with foam. Fill out GWSI scorecard.

19. 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.
20. TOH w/ frac string and packer.
21. Rig up air package/unit, pressure test all lines (Testing procedure to be supplied from air company), TIH with tubing and bit for 5 1/2" casing. Cleanout fill to BP set at +/-4,377'.
22. RIH w/ frac string and 3 1/2" x 5 1/2" packer. Set packer at +/- 2390' and **perform flow test on Menefee and document in DIMS.**
23. Set composite bridge plug @ +/- 3850'.
24. Refill casing up to PC perms with +/- 40 bbl 2% KCl water.
25. RIH with 3-1/8" HSD casing guns w/lubricator and perforate Chacra formation. (50 Holes Total)

2 SPF:

26. RIH w/ 3 1/2" frac string and 3 1/2" x 5 1/2" packer. Set packer at +/- 2,390'
27. 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 5,000 psi during frac job. Flush frac with foam. Fill out GWSI scorecard.
28. 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.
29. TOH w/ frac string and packer.
30. Rig up air package/unit, pressure test all lines (Testing procedure to be supplied from air company), TIH with tubing and bit for 5 1/2" casing. Cleanout fill to BP set at +/-3,850'.
31. RIH w/ frac string and packer. Set packer at +/-2390' and **perform flow test on Chacra and document in DIMS. Contact Cherry (281-366-4081) after DIMS input is complete.**
32. TOH w/ frac string and packer.

33. TIH w/ tubing and bit for 5-1/2" casing. Drill out BP set at 3,850' and 4,377'. Cleanout to PBTD at 4,770'.
34. Rabbit tubing and RIH with 2-3/8" production tubing (with muleshoe, F-nipple with plug, 4 ft pup, X-nipple with plug).
35. Land 2-3/8" production tubing at +/-4,578". Lock down 2 3/8" tubing hanger and bonnet.
36. 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.**
37. 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.
38. 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.
39. RD slickline unit.
40. Test well for air. Return well to production and downhole tri-mingle PC, Chacra and Mesaverde.

Riddle F LS 005 PC/MV

API# 3004507052

Sec 32, T28N, R8W

GL: 5939'

History:

- Drilled & completed in 1957

PC Perforation

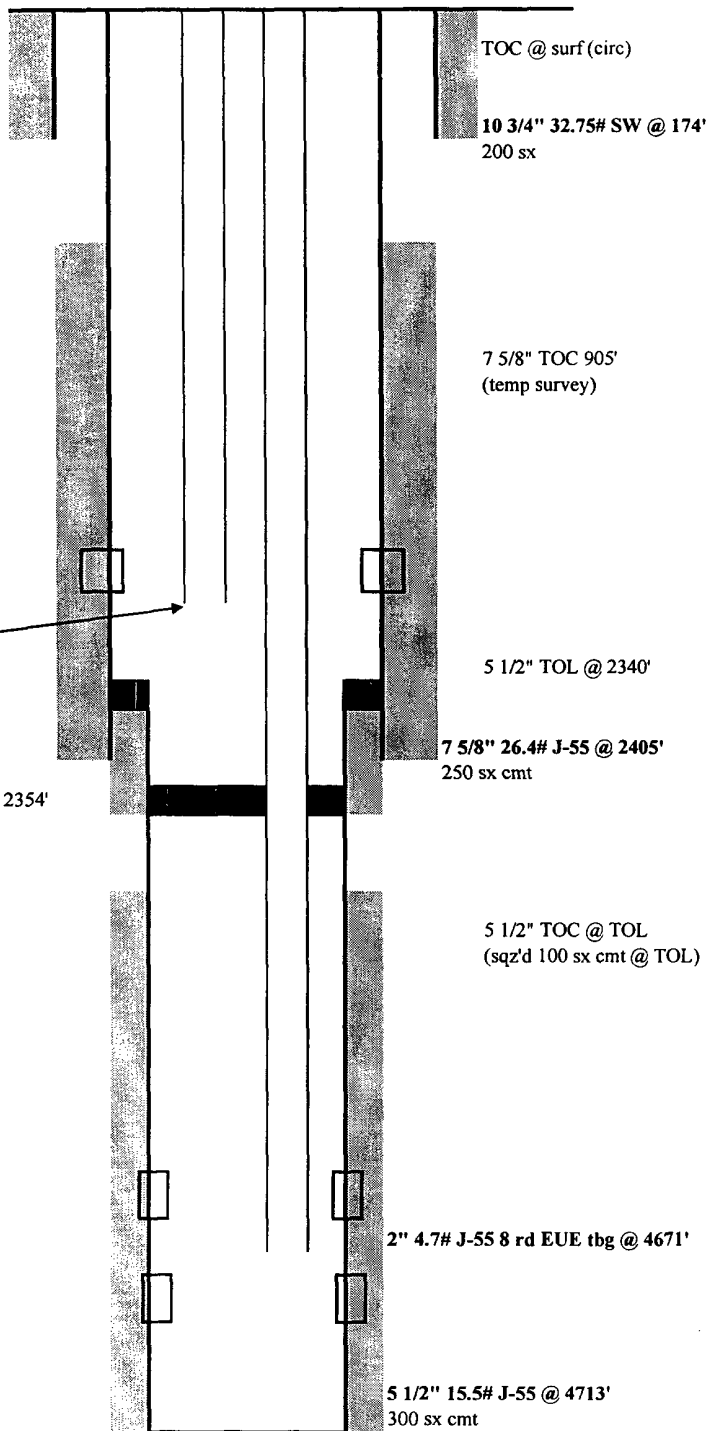
2250' - 2290', 39.5 klbs sand

1 1/4" 2.4#, J-55 tubing @ 2312'

Baker "EGJ" Paker @ 2354'

Mesaverde perforations:

4427' - 4658', frac'd w/ 60 klbs sand



PBTD: 4770'

TD: 4718'

updated: 04/26/06 JG

BLM CONDITIONS OF APPROVAL FOR RECOMPLETION

The following conditions of approval will apply to this well unless a particular Surface Managing Agency or private surface owner has supplied to BLM and the operator a contradictory environmental stipulation. The failure of the operator to comply with these requirements may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on the location during construction, drilling and reclamation activity.

An agreement between operator and fee land owner will take precedence over BLM surface stipulations unless (In reference to 43 CFR Part 3160) 1) BLM determines that the operator's actions will affect adjacent Federal or Indian surface, or 2) the operator does not maintain well area and lease premises in a workmanlike manner with due regard for safety, conservation and appearance, or 3) no such agreement exists, or 4) in the event of well abandonment, minimal Federal restoration requirements will be required.

Special Stipulations:

** The operator and his contractor will contact the BLM Farmington Field Office, Environmental Protection Staff (Bill Liess) to set up a pre-work meeting on any rehab or seeding done on this location at (505) 599-6321, approximately 48 hours **prior to any work being done.**

**** Reserve pits will be closed and rehabed 90 days after recompletion. All pits used in recompletion remaining open after the 90 days will need written authorization from the Authorized Officer. This requirement is addressed in the General Requirements of Onshore Order # 7.**

** Pits will be lined with an impervious material at least 12 mils thick. Prior to closing the pit, the liner will be cut off at mud level. The excess liner will be hauled to a licensed disposal area.

** Diversion ditch(es) will be reconstructed if damaged by recompletion work.

** If the cut and fill slopes of the well pad are used or damaged by completion work then the cut and fill slopes will be brought back to the original contour of the location before work was accomplished.

** All above ground structures shall be painted to blend with the natural color of the landscape and will remain the same color as was previously stipulated in the APD

** All disturbance will be seeded after the pit is closed with the appropriate seed mixture.

SEED MIX : SPECIAL: > 10 inches of precipitation

| | |
|---|-----------|
| Fourwing Saltbush (<i>Atriplex canescens</i>)..... | 1.0 lbs. |
| Indian Ricegrass (<i>Oryzopsis hymenoides</i>)..... | 1.0 lbs. |
| Western Wheatgrass (<i>Agropyron smithii</i>)..... | 2.0 lbs. |
| Blue Grama (Hatcheta or Alma)..... | 0.25 lbs. |

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 87505

Form 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 30-045-07052 | ² Pool Code 82329 | ³ Pool Name Otero Chacra |
| ⁴ Property Code 000978 | ⁵ Property Name Riddle F LS | ⁶ Well Number 5 |
| ⁷ OGRID No. 000778 | ⁸ Operator Name BP America Production Company | ⁹ Elevation |

¹⁰ Surface Location

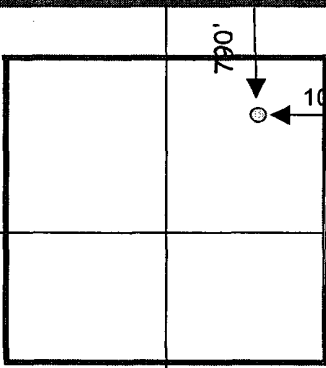
| | | | | | | | | | |
|---------------------------|----------------------|------------------------|---------------------|---------|-------------------------|----------------------------------|--------------------------|--------------------------|---------------------------|
| UL or lot no. A | Section 32 | Township 28N | Range 08W | Lot Idn | Feet from 790 | North/South North/Sout | Feet from 1090 | East/West East | County San Juan |
|---------------------------|----------------------|------------------------|---------------------|---------|-------------------------|----------------------------------|--------------------------|--------------------------|---------------------------|

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. <i>Electronic Filing</i> Signature Cherry Hlava Printed Name Regulatory Analyst Title 5/26/2006 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: |
| | Certificate Number |
| | |