Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANGEMENT

RCVD NOV15'06 OIL CONS. DIV. DIST. 3

FORM 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

5. Lease Serial No.: NM 13860-A
6. If Indian, Allottee or tribe Name:
7. Unit or CA/Agreement, Name and/or No.:
8. Well Name and No.: Russell A 5
9. API Well No.: 30-045-07168
10. Field and Pool, or Exploratory Area: Blanco Mesaverde/Otero Chacra
11. County or Parish, State: San Juan County, New Mexico

1. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other
2. Name of Operator: BP America Production Company Attn: Cherry Hlava
3a. Address: P.O. Box 3092 Houston, TX 77253
3b. Phone No. *(include area code)*: 281-366-4081
4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*: 1550' FNL & 1550' FEL Sec 25 T28N R08W

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Abandon
	☐ Change Plans	☐ Plug and Abandon	☐ Water Disposal	
	☐ Injection	☐ Plug Back	☒ Other	Downhole 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 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 requests 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) & Otero Chacra (82329) Pools are Pre-Approved Pools for Downhole Commingling per NMOCD order R-11363. The working & overriding royalty interest owners in the proposed commingled pools are the same therefore no additional notification 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 be attributed to the Chacra. [redacted] Commingling Production Downhole in the subject well from the proposed pools will not reduce the value of the total remaining production.

DHC 2431AZ

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

Name (Printed/typed): Cherry Hlava
Title: Regulatory Analyst
Signature: Cherry Hlava
Date: 10/19/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: Jim Lovato
Title: Petr. Eng.
Date: 11/14/06

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

NMOCD

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	[2] Pool Code	[3] Pool Name
30-045-07168	82329	Otero Chacra

[4] Property Code	[5] Property Name	[6] Well Number
000998	Russell A	5

[7] OGRID No.	[8] Operator Name	[9] Elevation
000778	BP America Production Company	6330'

[10] Surface Location

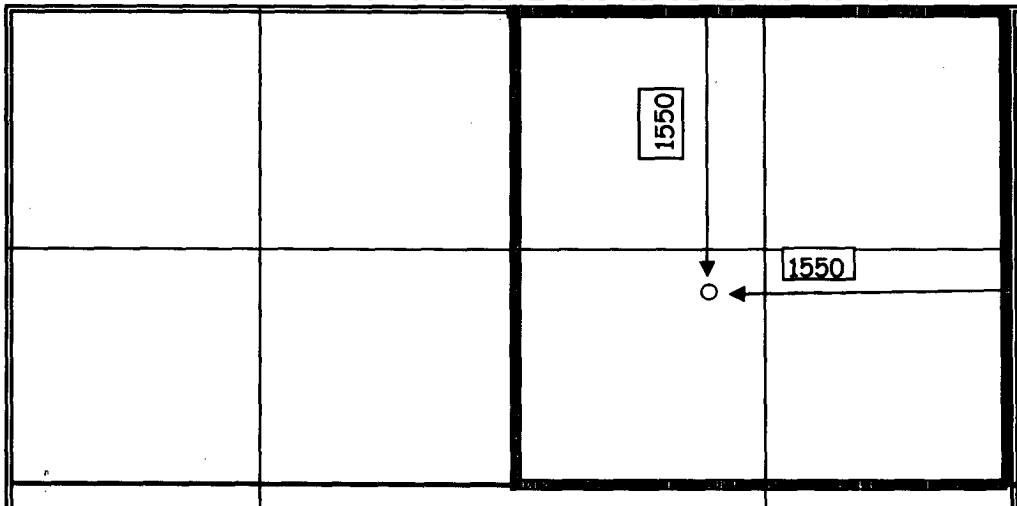
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet from	East/West	County
Unit G	25	28N	08W		1550	North	1550	East	San Juan

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160			

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.

Cherry Hlava

Signature

Cherry Hlava

Printed Name

Regulatory Analyst

Title

10/19/2006

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

SJ Basin Add Chacra & DHC w/MV Procedure

Well Name: **Russell A 5**
Date: **October 13, 2006**
Repair Type: **Recompletion**

Objective: Perforate and frac Chacra, and downhole co-mingle Chacra, and Mesaverde

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

Pertinent Information: Gas BTU content for this well is above 950. Venting and Flaring document needs to be followed.

Location:	T28N-R8W-Sec25	**API #:**	**30-045-07168**
County:	San Juan		
State:	New Mexico	Engr:	Jesse Gracia
Horizon:	Mesaverde/Chacra	ph (281) 366-1946	
		fax (281) 366-0700	

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 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. If bradenhead pressure is observed and does not blow down, we will perform a bradenhead repair after identifying TOC in the 7" casing.

6. MIRU workover rig. LO/TO all necessary equipment including but not limited to: meter run, Automation, Separators and water lines.

7. Blow down well. Kill with 2% KCL water ONLY if necessary.

8. 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.**

9. Nipple down Wellhead. NU 2 3/8" 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.

10. 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.

11. TOH with 2" production tubing currently set at 5149'. Using approved "Under Balance Well Control Tripping Procedure".

12. TIH w/ 5 1/2" scrapers. 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 bind rams. RIH to PBTD at 5,212'. POOH.

13. Set composite bridge plug at 4,500'. Fill casing w/ 2%KCl.

14. RU E-line equipment. Pressure test lubricator and equipment. Log well with CBL from 4,500 to surface. If the TOC in the 5 ½" liner is below the TOL, contact engineer to discuss. Upload CBL into Schlumberger system as soon as possible.

15. Replace Wellhead if needed.

16. TIH with 3 1/2" x 5 ½" test packer on 3 1/2" tubing. Set Packer at +/-3100'

17. Pressure test 5 ½" casing down tubing to 2000 psi surface pressure. Note with 2% KCl fluid in the hole, the 5 ½" casing will be tested to approximately 3700 psi.
18. TOH w/ tubing and packer.

19. 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 devise that transmits a signal.

20. RIH with 3-1/8" casing guns w/lubricator. Perforate Chacra formation.

21. TIH w/ 3-1/2" N-80 frac string 5 ½" x 3 1/2" packer. Configure packer assembly as 3 1/2" x 5 ½ (full bore); 3 ½ downhole shutoff valve, and 3 ½" seating nipple (2.28"). This assembly will be made up and pressure tested in the packer service shop. Set packer at 3,100'.

22. RU 10,000 psi isolation tool (use full bore toll to reduce turbulence and chance for washout). Space out and land frac string.

23. RU slickline or use rig sandline. RIH and set standing valve in seating nipple (1.78") above shutoff valve. Load tubing and pressure test to approximately 1500 psi with rig pumps. RU test pump and pressure test tubing to 5000 psi for 10-15 minutes. RIH and connect to standing valve and dump/equalizing valve. Unseat and POH standing valve. RD slickline unit if used.

24. RU schlumberger frac equipment. Purge pumps and pressure test iron to frac valve at 6000 psi. Set pump trips at 5000 psi. Set PRV at 5100-5200 psi. Treat well at a maximum of 5000 psi.

25. 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.

26. Flowback frac immediately. Flow well through choke manifold on ¼", ½" and ¾" 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.

27. Release packer. TOH w/ 3 ½" frac string and packer.
28. 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 8-12 hr well test on Chacra and document well test in DIMS. Contact Cherry Hlava (281-366-4081) after DIMS has been updated.**

29. Cleanout fill and BP set at 4,500'. Cleanout to PBTD at 5,212'. Blow well dry.

30. Rabbit tubing and RIH with 2-3/8" production tubing (with muleshoe, F-nipple with plug, 4 ft pup, X-nipple with plug).

31. Land 2-3/8" production tubing at +/- 5,150'. Lock down hanger and tubing bonnet.

32. 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.**

33. 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.

34. 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.

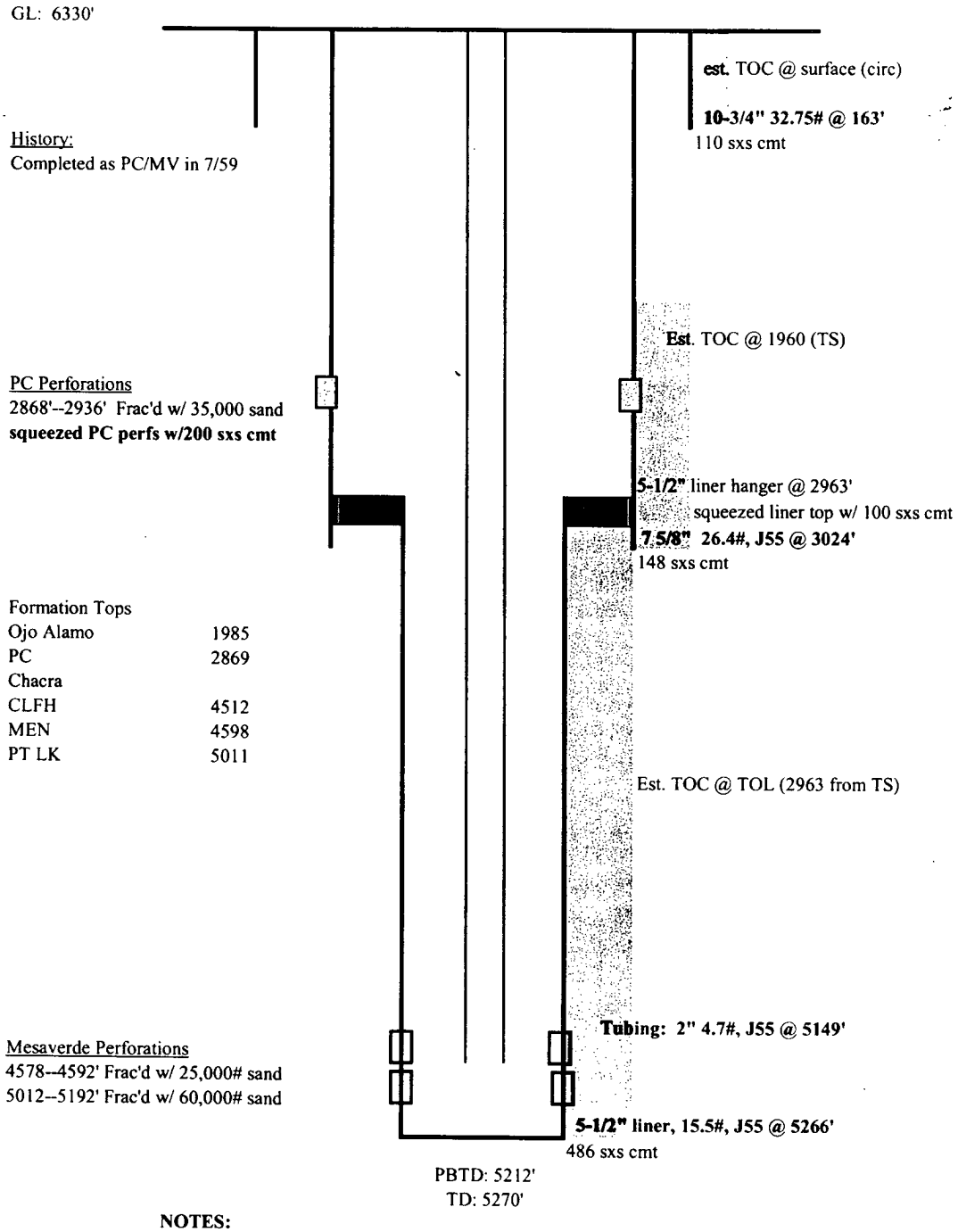
35. RD slickline unit.

36. Test well for air. Return well to production and downhole co-mingle Chacra and Mesaverde.

Russell A 5

Sec 25, T28N, R8W

API # 30-045-07168



NOTES:

updated: 10/13/06 JG