

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

NOV 24 2008

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 2010

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.*

Lease Serial No.

NM - 013860A

Bureau of Land Management
Farmington Field Office

If Indian, Allottee or tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

1. Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

8. Well Name and No.

Russell 2

2. Name of Operator

BP America Production Company Attn: Kristen Holder

9. API Well No.

30-045-24050

3a. Address

P.O. Box 3092 Houston, TX 77253

3b. Phone No. (include area code)

281-504-0921

10. Field and Pool, or Exploratory Area

Dakota, Mesaverde & Otero Chacra

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

1275' FSL & 945' FWL SEC 24 T28N R08W SWSW

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

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ 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

☐ Water Disposal

☐ Water shut-Off

☐ Well Integrity

☐ Other Change Allocation

Method

- 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.

Previously (4/8/08) BP was approved to DHC commingle (DHC # 4019) the above mentioned well and report production by Declining the Dakota abd subtracting that from the total well production and then split the Mesaverde and Chacra based on a fixed percentage. After further research of the well we have found that allocating on a subtraction method using the projected future decline for production in the Dakota as well as the Mesaverde will more accurately represent production in each formation. The production from the Dakota and Mesaverde shall serve as a base for production subtracted from the total production of the commingled well. The balance of the production will be attributed to the Otero Chacra. Attached is the future production decline for the Dakota and the Mesaverde.

The NMOCD in Santa Fe has been notified of allocation change via form C 103.

RCVD DEC 1 '08

OIL CONS. DIV.

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

DIST. 3

Name (Printed/typed)

Kristen Holder

Title **Regulatory Analyst**

Signature

Kristen Holder

Date **11/20/08**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title **GCB**

Date

11-24-08

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 **FFI**

Russell 2
Dakota Formation
API # 3004524050

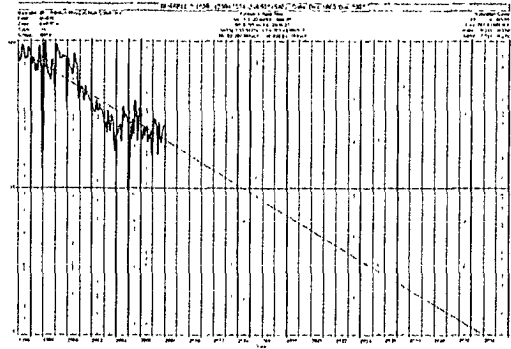
Starting 1/97 thru 1/36

Exponential Decline

Qi = 21.2 mcf/d 1-Jan-2008

Qf = 0.8 mcf/d

D = 11.08% per year



Date	Gas Number of Wells	Gas Rate mcf/d
Jan-08	1	21.01
Feb-08	1	20.81
Mar-08	1	20.61
Apr-08	1	20.41
May-08	1	20.21
Jun-08	1	20.01
Jul-08	1	19.82
Aug-08	1	19.62
Sep-08	1	19.43
Oct-08	1	19.24
Nov-08	1	19.06
Dec-08	1	18.87
Jan-09	1	18.73
Feb-09	1	18.56
Mar-09	1	18.38
Apr-09	1	18.20
May-09	1	18.03
Jun-09	1	17.85
Jul-09	1	17.68
Aug-09	1	17.50
Sep-09	1	17.33
Oct-09	1	17.16
Nov-09	1	16.99
Dec-09	1	16.83
Jan-10	1	16.66
Feb-10	1	16.50
Mar-10	1	16.35
Apr-10	1	16.19
May-10	1	16.03
Jun-10	1	15.87
Jul-10	1	15.72
Aug-10	1	15.56
Sep-10	1	15.41
Oct-10	1	15.26
Nov-10	1	15.11
Dec-10	1	14.96

Date	Gas Number of Wells	Gas Rate mcf/d
Jan-11	1	14.81
Feb-11	1	14.67
Mar-11	1	14.54
Apr-11	1	14.39
May-11	1	14.25
Jun-11	1	14.11
Jul-11	1	13.98
Aug-11	1	13.84
Sep-11	1	13.70
Oct-11	1	13.57
Nov-11	1	13.44
Dec-11	1	13.31
Jan-12	1	13.14
Feb-12	1	13.01
Mar-12	1	12.89
Apr-12	1	12.76
May-12	1	12.64
Jun-12	1	12.51
Jul-12	1	12.39
Aug-12	1	12.27
Sep-12	1	12.15
Oct-12	1	12.03
Nov-12	1	11.92
Dec-12	1	11.80
Jan-13	1	11.714
Feb-13	1	11.603
Mar-13	1	11.494
Apr-13	1	11.381
May-13	1	11.27
Jun-13	1	11.16
Jul-13	1	11.051
Aug-13	1	10.942
Sep-13	1	10.835
Oct-13	1	10.729
Nov-13	1	10.624
Dec-13	1	10.521

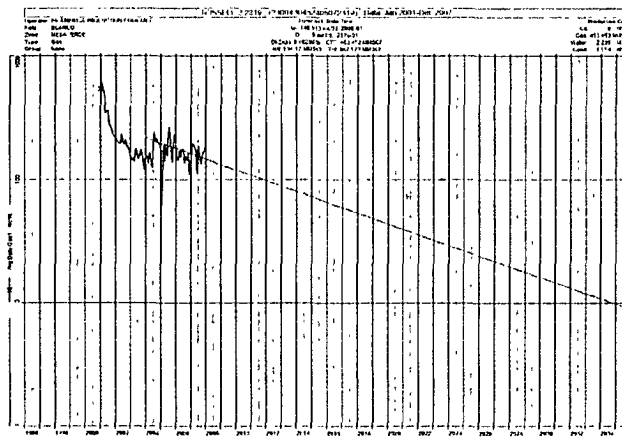
Russell 2
Mesaverde Formation
API # 3004524050

Starting 1/04 thru 1/36

Exponential Decline

Qi = 146.5 mcf/d
Qf = 9.0 mcf/d
D = 9.48% per year

1-Jan-2008



Date	Gas Number of Wells	Gas Rate mcf/d
Jan-08	1	145.60
Feb-08	1	144.41
Mar-08	1	143.24
Apr-08	1	142.05
May-08	1	140.88
Jun-08	1	139.72
Jul-08	1	138.56
Aug-08	1	137.40
Sep-08	1	136.26
Oct-08	1	135.13
Nov-08	1	134.02
Dec-08	1	132.91
Jan-09	1	132.15
Feb-09	1	131.09
Mar-09	1	130.04
Apr-09	1	128.96
May-09	1	127.89
Jun-09	1	126.83
Jul-09	1	125.78
Aug-09	1	124.72
Sep-09	1	123.69
Oct-09	1	122.66
Nov-09	1	121.64
Dec-09	1	120.64
Jan-10	1	119.62
Feb-10	1	118.66
Mar-10	1	117.71
Apr-10	1	116.73
May-10	1	115.76
Jun-10	1	114.80
Jul-10	1	113.85
Aug-10	1	112.89
Sep-10	1	111.96
Oct-10	1	111.03

Date	Gas Number of Wells	Gas Rate mcf/d
Nov-10	1	110.11
Dec-10	1	109.20
Jan-11	1	108.28
Feb-11	1	107.41
Mar-11	1	106.55
Apr-11	1	105.66
May-11	1	104.79
Jun-11	1	103.92
Jul-11	1	103.06
Aug-11	1	102.19
Sep-11	1	101.34
Oct-11	1	100.50
Nov-11	1	99.67
Dec-11	1	98.84
Jan-12	1	97.74
Feb-12	1	96.95
Mar-12	1	96.16
Apr-12	1	95.36
May-12	1	94.57
Jun-12	1	93.79
Jul-12	1	93.02
Aug-12	1	92.23
Sep-12	1	91.47
Oct-12	1	90.72
Nov-12	1	89.97
Dec-12	1	89.22
Jan-13	1	88.713
Feb-13	1	88.002
Mar-13	1	87.296
Apr-13	1	86.572
May-13	1	85.854
Jun-13	1	85.143
Jul-13	1	84.437
Aug-13	1	83.725