

DATE IN 5.25.04	SUSPENSE _____	ENGINEER Jones	LOGGED IN 5.26.04	TYPE DHC	APP NO. DSEM0414727757
--------------------	-------------------	-------------------	----------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



MAY 25 2004

OIL CONSERVATION
DIVISION

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mary Corley
 Print or Type Name

Signature

Sr. Regulatory Analyst 05/20/2004
 Title Date
 corleym1@bp.com
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

2000

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

Pools

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15,

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved

EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

BP America Production Company P. O. Box 3092 Houston, TX 77253
Operator **Florance C LS** Address **Unit K Section 19 T28N, R08W** **San Juan**
Lease **3** Well No. **Unit Letter-Section-Township-Range** County
OGRID No. **000778** Property Code **000527** API No. **30-045-07263** Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Pictured Cliffs S.	Otero Chacra	Blanco Mesaverde
Pool Code	72439	82329	72319
Top & Bottom of Pay Section (Perforated or Open-Hole Interval)	2106' - 2154'	3060' - 3244'	4054' - 4716'
Method of Production (Flowing or Artificial Lift)	Non-Producing	Flowing	Flowing
Bottomhole Pressure		430	480
Oil Gravity or Gas BTU (Degree API or Gas BTU)		1230	1355
Producing, Shut-In or New Zone	Non-Producing	New Zone	Producing
Date and Oil/Gas/Water Rates of Last Production.	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage	Oil % Gas %	Oil % Gas %	Oil % Gas %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ No ☐
NMOCD Reference Case No. applicable to this well: _____
Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mary Corley TITLE Sr. Regulatory Analyst DATE 05/20/2004
TYPE OR PRINT NAME Mary Corley TELEPHONE NO. (281) 366-4491

Allocation Method
Florance C LS 3

BP America Production Company request permission to complete the subject well into the Otero Chacra and tricomingle production downhole with the existing Blanco South Pictured Cliffs and Blanco Mesaverde Pools as per the attached procedure.

The interest owners are identical between these three Pools, therefore, no additional notification is required prior to downhole commingling approval.

Production is proposed to be allocated based on a fixed percentage. Each zone will be tested to determine the percentage of the whole to be allocated to each zone. A test will be performed on the Mesaverde prior to initiating the recompletion into the Chacra. Upon completion into the Chacra a combined test will be performed on both the Chacra and the Pictured Cliffs then the Pictured Cliffs will be isolated from the Chacra and the Chacra will be tested to determine the volume to be attributed to the Pictured Cliffs.

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

Application has also been submitted to BLM on Form 3160-5, Federal Lease No. SF – 03549.

Pre Approved Pools:

Blanco-Mesaverde (72319) & South Blanco-Pictured Cliffs (72439) Pools

Blanco-Mesaverde (72319) & Otero-Chacra (82329) Pools

South Blanco-Pictured Cliffs (72439) & Otero-Chacra (82329) Pools

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 30-045-07263	² Pool Code 82329	³ Pool Name Otero Chacra
⁴ Property Code 000326	⁵ Property Name Florance C LS	⁶ Well Number 3
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁹ Elevation 5795' GR

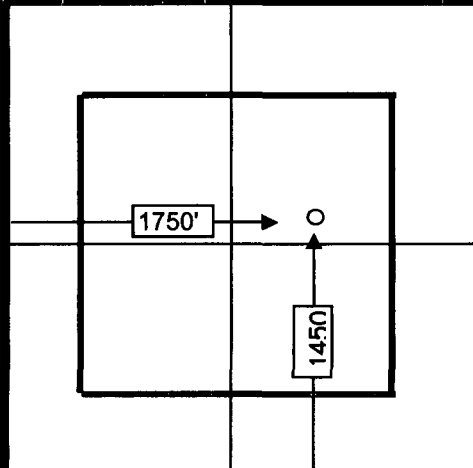

¹⁰ Surface Location

UL or lot no. Unit K	Section 19	Township 28N	Range 08W	Lot Idn	Feet from 1450'	North/South South	Feet from 1750'	East/West West	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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Mary Corley Printed Name Sr. Regulatory Analyst Title 01/13/2004 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> 06/06/1952 Date of Survey Signature and Seal of Professional Surveyor: E O Walker Certificate Number	

Florance C LS 3

Recomplete to Chacra formation, downhole commingle Pictured Cliffs, Chacra and Mesaverde

Procedure:

1. Check anchors. MIRU workover rig.
2. Check and record tubing, casing, and bradenhead pressures.
3. Blow down well. Kill with 2% KCL water ONLY if necessary.
4. Nipple down WH. NU BOPs and diversion spool with 3" outlets and 3" pipe to the blow tank. Pressure test BOPs to 500 psi. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover.
5. RU slickline unit or wireline unit. RIH and set plug (CIBP, tbg collar stop, or plug set in nipple) for isolation.
6. TOH and LD 1-1/4" short-string production tubing currently set at 2315' (this setting depth is questionable, b/c it would be below the top of liner).
7. Release 5-1/2" Baker 'EGJ' packer at 2410' and TOH with 2-3/8" long-string production tubing currently set at 4450' (Garrett sleeve at 2160').

Contingency: *If the tubing is in poor condition, replace entire tubing string.*

8. TIH with bit and scraper for 5-1/2" casing to PBTD at 4560'. Work casing scraper across Mesaverde perforations (4116' – 4552') and new Chacra interval (3060' – 3245').
9. RU WL unit. RIH with 5-1/2" CIBP. Set CIBP at 3400'.
10. Run CBL from 3400' to top of liner to confirm that top of cement is above 3,000'. If cement is not above 3,000' block squeeze at 3,000'.
11. RIH with 3-1/8" casing guns. Perforate Chacra formation (correlate to GR log) w/ 2 SPF (27 shots, 54 holes) at: 3244, 3240, 3236, 3232, 3228, 3224, 3216, 3212, 3208, 3204, 3200, 3196, 3192, 3188, 3184, 3180, 3080, 3078, 3076, 3074, 3072, 3070, 3068, 3066, 3064, 3062, 3060'.
12. RIH with 2-7/8" X 3-1/2" tapered frac string and 5-1/2" packer. Set packer at 2300'.
13. Spearhead 500 gal 15% HCL, establish injection rate, and proceed with fracture stimulation according to Schlumberger schedule. Maintain surface pressures \leq 3500 psi during frac job to stay within 80% of 5-1/2" casing burst rating. Flush frac with foam. Fill out GWSI scorecard.
14. Flowback frac immediately.

Florance C LS 3

Sec 19, T28N, R8W

API # 30-045-07263

GL: 5795'

History:

- Completed as MV/PC dual
in 8/57

1-1/4" 2.3#, 8 rd bg @ 2315'

Pictured Cliffs Perforation

2106'-2154' w/ 40,000 # sand

5-1/2" Baker 'EGJ' packer @ 2410'

Mesaverde Perforations

4116'-4203' w/ 60,000 # sand

4316'-4552' w/ 60,000 # sand

