

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**

- Engineering Bureau -

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



**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]

RECEIVED

FEB 07 2006

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

- [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

Mary Corley  
Signature

Sr. Regulatory Analyst 02/01/2006  
Title Date

corleyml@bp.com  
e-mail Address

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15,

2000  
District II  
811 South First Street, Artesia, NM 88210

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

APPLICATION TYPE  
 Single Well  
Establish Pre-Approved

District III  
1000 Rio Brazos Road, Aztec, NM 87410

Pools  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

**APPLICATION FOR DOWNHOLE COMMINGLING**

EXISTING WELLBORE  
 Yes  No

**BP America Production Company P. O. Box 3092 Houston, TX 77253**

Operator Tapps LS 1 Address Unit H Section 22 T28N, R08W County San Juan  
Lease 000778 Well No. 001161 Unit Letter-Section-Township-Range 30-045-07317 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE <i>SOUTH</i>	INTERMEDIATE ZONE	LOWER ZONE <i>UNDES</i>
Pool Name	<b>Blanco Pictured Cliffs</b>		<b>Otero Chacra</b>
Pool Code	<b>72359</b>		<b>82329</b>
Top & Bottom of Pay Section (Perforated or Open-Hole Interval)	<b>2374' - 2448'</b>		<b>To Be Determined</b>
Method of Production (Flowing or Artificial Lift)	<b>Artificial Lift</b>		<b>Artificial Lift</b>
Bottomhole Pressure	<b>425</b>		<b>430</b>
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<b>950</b>		<b>980</b>
Producing, Shut-In or New Zone	<b>Producing</b>		<b>New Zone</b>
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?  
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 02/01/2006  
TYPE OR PRINT NAME Mary Corley TELEPHONE NO. ( 281 ) 366-4491

# Tapp LS 1 Future Production Decline Estimate Pictured Cliffs Daily Rates

$\ln(Qf/Qi) = -dt$

$Qf = 93$

$Qi = 98$

$rate = 93$

$time = 5$

$dt = -0.052367986$

$decline = -0.010473597$

Month	Gas Volume
Jan-2005	128
Feb-2005	126
Mar-2005	119
Apr-2005	114
May-2005	115
Jun-2005	98
Jul-2005	91
Aug-2005	105
Sep-2005	97
Oct-2005	93
Nov-2005	88
Dec-2005	79
Jan-2006	65
Feb-2006	64
Mar-2006	63
Apr-2006	63
May-2006	62
Jun-2006	61
Jul-2006	61
Aug-2006	60
Sep-2006	59
Oct-2006	59
Nov-2006	58
Dec-2006	58
Jan-2007	57
Feb-2007	56
Mar-2007	56
Apr-2007	55
May-2007	55
Jun-2007	54
Jul-2007	54
Aug-2007	53
Sep-2007	52
Oct-2007	52
Nov-2007	51
Dec-2007	51

Month	Gas Volume
Jan-2008	50
Feb-2008	50
Mar-2008	49
Apr-2008	49
May-2008	48
Jun-2008	48
Jul-2008	47
Aug-2008	47
Sep-2008	46
Oct-2008	46
Nov-2008	45
Dec-2008	45
Jan-2009	44
Feb-2009	44
Mar-2009	43
May-2009	43
Jun-2009	43
Jul-2009	42
Aug-2009	42
Sep-2009	41
Oct-2009	41
Nov-2009	40
Dec-2009	40
Jan-2010	40
Feb-2010	39
Mar-2010	39
Apr-2010	38
May-2010	38
Jun-2010	38
Jul-2010	37
Aug-2010	37
Sep-2010	36
Oct-2010	36
Nov-2010	36
Dec-2010	35
Jan-2011	35

Month	Gas Volume
Feb-2011	35
Mar-2011	34
Apr-2011	34
May-2011	33
Jun-2011	33
Jul-2011	33
Aug-2011	32
Sep-2011	32
Oct-2011	32
Nov-2011	31
Dec-2011	31
Jan-2012	31
Feb-2012	30
Mar-2012	30
Apr-2012	30
May-2012	29
Jun-2012	29
Jul-2012	29
Aug-2012	29
Sep-2012	28
Oct-2012	28
Nov-2012	28
Dec-2012	27
Jan-2013	27
Feb-2013	27
Mar-2013	27
Apr-2013	26
May-2013	26
Jun-2013	26
Jul-2013	25
Aug-2013	25
Sep-2013	25
Oct-2013	25
Nov-2013	24
Dec-2013	24
Jan-2014	24

**Tapp LS 1  
Future Production Decline Estimate  
Pictured Cliffs Daily Rates**

Month	Gas Volume
Feb-2014	24
Mar-2014	23
Apr-2014	23
May-2014	23
Jun-2014	23
Jul-2014	22
Aug-2014	22
Sep-2014	22
Oct-2014	22
Nov-2014	22
Dec-2014	21
Jan-2015	21
Feb-2015	21
Mar-2015	21
Apr-2015	20
May-2015	20
Jun-2015	20
Jul-2015	20
Aug-2015	20
Sep-2015	19
Oct-2015	19
Nov-2015	19
Dec-2015	19
Jan-2016	19
Feb-2016	18
Mar-2016	18
Apr-2016	18
May-2016	18
Jun-2016	18
Jul-2016	17
Aug-2016	17
Sep-2016	17
Oct-2016	17
Nov-2016	17
Dec-2016	17
Jan-2017	16

Month	Gas Volume
Feb-2017	16
Mar-2017	16
Apr-2017	16
May-2017	16
Jun-2017	16
Jul-2017	15
Aug-2017	15
Sep-2017	15
Oct-2017	15
Nov-2017	15
Dec-2017	15
Jan-2018	14
Feb-2018	14
Mar-2018	14
Apr-2018	14
May-2018	14
Jun-2018	14
Jul-2018	14
Aug-2018	13
Sep-2018	13
Oct-2018	13
Nov-2018	13
Dec-2018	13
Jan-2019	13
Feb-2019	13
Mar-2019	12
Apr-2019	12
May-2019	12
Jun-2019	12
Jul-2019	12
Aug-2019	12
Sep-2019	12
Oct-2019	12
Nov-2019	11
Dec-2019	11
Jan-2020	11

Allocation Method  
Hughes C 1A

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

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

Production is proposed to be allocated based on the subtraction method using the projected future decline for production from the Pictured Cliffs Pool. 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 is the future production decline estimates for the Pictured Cliffs Pool.

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 – 078499

**Tapp LS 1**  
**Perforate & frac Chacra, - Downhole Comingle Chacra & Pictured Cliffs**  
**January 20, 2005**

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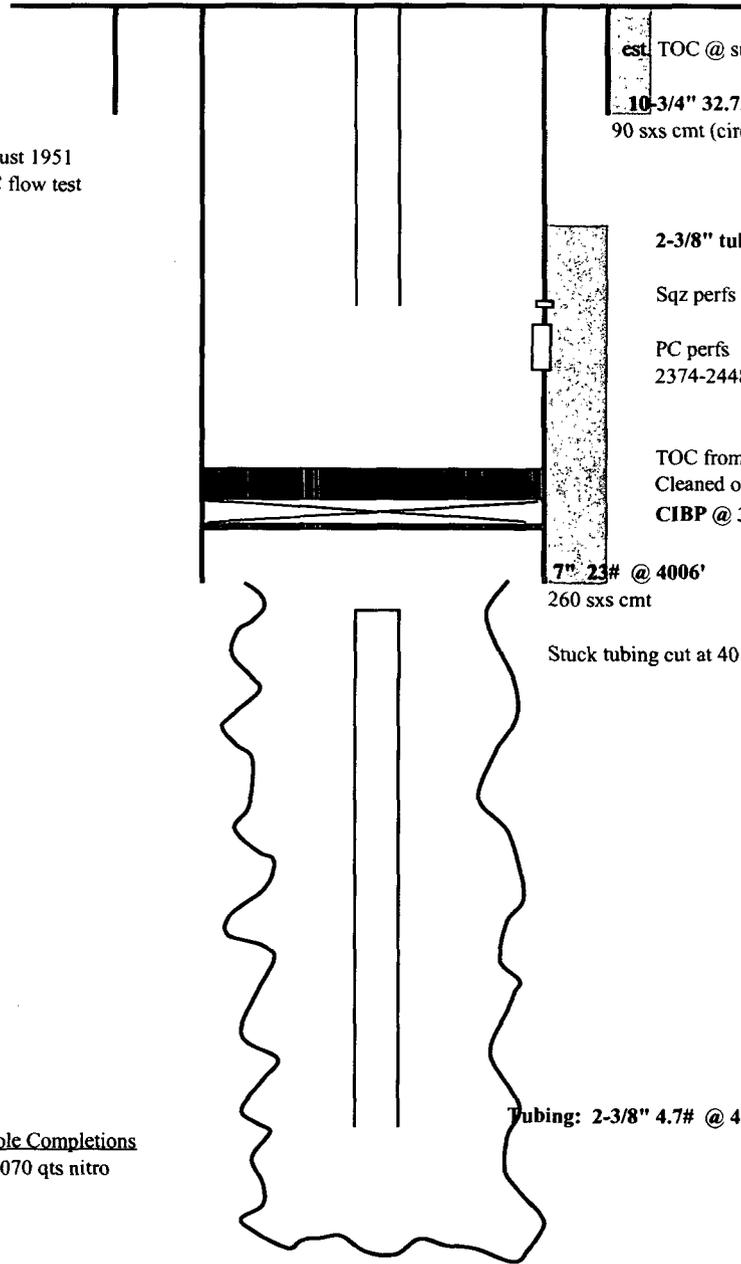
1. Perform pre-rig site inspection. Check for: size of location, Gas Taps, other wells, other operators, running equipment, wetlands, wash (dikes req.), H2S, barriers needed for equipment, Landowner issues, location of pits (buried lines in pits), Raptor nesting, critical location, check anchors. Check 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 2334'. Using approved "Under Balance Well Control Tripping Procedure".
11. **TIH with tubing and bit for 7" casing.** Cleanout fill to top of BP set at 3,810.' 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 3810'. POOH.
12. Fill casing w/ 2%KCl from the bottom up to the PC (2448') with approximately 54 bbl.
13. RU E-line equipment. Pressure test lubricator and equipment.
14. Log well w/ CBL from PBTD to 2400'. If TOC is below 2800', contact engineer to discuss need for remedial cement squeeze.
15. TIH w/ workstring and blow well dry.
16. Prepare for explosive operations. Follow Schlumberger Explosive SOP including radio silence, suspension of welding operations, and isolation of electrical devices from the work

**Tapp LS 1**  
**Perforate & frac Chacra, - Downhole Comingle Chacra & Pictured Cliffs**  
**January 20, 2005**

Sec 22, T28N, R8W  
 API # 30-045-07317

GL: 5891'

History:  
 Completed in August 1951  
 Workover 8/03 PC flow test



est. TOC @ surface (circ)  
 10-3/4" 32.75# @ 163'  
 90 sxs cmt (circulated)

2-3/8" tubing landed at 2334'

Sqz perms 2360' w 175 sxs of cl G cmt

PC perms  
 2374-2448' w/81,500 16/30 Brady sand

TOC from original @ 3300'  
 Cleaned out well to only 3000'  
 CIBP @ 3810'

7" 23# @ 4006'  
 260 sxs cmt

Stuck tubing cut at 4010'

Tubing: 2-3/8" 4.7# @ 4865'

Mesaverde Openhole Completions  
 4060' - 4905' w/ 2070 qts nitro

TD: 4905'

**NOTES:**

updated: 5/12/04 GKC

**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

Form C-102  
Revised August 15, 2000

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-045-07317</b>	<sup>2</sup> Pool Code <b>82329</b>	<sup>3</sup> Pool Name <b>Otero Chacra</b>
<sup>4</sup> Property Code <b>00161</b>	<sup>5</sup> Property Name <b>Tapp LS</b>	<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>000778</b>	<sup>8</sup> Operator Name <b>BP America Production Company</b>	<sup>9</sup> Elevation <b>5891' DK</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet from	East/West	County
<b>Unit H</b>	<b>22</b>	<b>28N</b>	<b>08W</b>		<b>1715'</b>	<b>North</b>	<b>1100'</b>	<b>East</b>	<b>San Juan</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from	North/South	Feet	East/West	County

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

	<sup>17</sup> 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 <b>Mary Corley</b>
	Printed Name <b>Sr. Regulatory Analyst</b>
	Title <b>2/1/2006</b>
	Date
<sup>18</sup> 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> <b>On File</b>	Date of Survey
	Signature and Seal of Professional Surveyor:
	Certificate Number