

DATE IN 9/13/07	SUSPENSE 10/4/07	W. Jones ENGINEER	LOGGED IN 9/13/07	TYPE DHC	APP NO. pTDS0725651982
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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 REGULATION 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.

Toya Colvin

Print or Type Name

Signature

Toya Colvin

Regulatory Analyst

Title

9/12/07

Date

Toya.Colvin@bp.com
 e-mail Address

RECEIVED
 2007 SEP 13 AM 9 50

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

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

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

Russell LS 3 Unit M Section 23 T28N R08W San Juan
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 000778 Property Code 001000 API No. 30-045-07242 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	✓	UNDES ✓	✓
Pool Name	Otero Chacra	Blanco Pictured Cliffs	Blanco Mesaverde
Pool Code	8, 82329	72359	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	To Be Determined ~ 3950' - 3450'	2328' - 2432'	4009' - 4726'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	435	434	415
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1232	1232	1232
Producing, Shut-In or New Zone	New Zone	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas %	Oil Gas % SUBTRACTION %	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 Toya Colvin TITLE Regulatory Analyst DATE 09/12/2007

TYPE OR PRINT NAME Toya Colvin TELEPHONE NO. (281) 366-7148

E-MAIL ADDRESS Toya.Colvin@bp.com

Russell LS 3 Payadd Procedure
Sec 23, T28N, R8W
API #: 30-045-0724200

1. Check anchors. MIRU workover rig.
2. If necessary, kill with 2% KCL water. Nipple down WH. NU BOPs.
3. Tag for fill and tally OH with 2-3/8" production tubing currently set at 4712'. Visually inspect tubing while POOH.
4. TIH with bit and scraper for 5 1/2" casing to 4000'.
5. Set CBP @ 3700'.
6. Load hole with 2% KCL water to PC perforations at 2328'-2432'.
7. Run RST and CBL log.
8. TIH with packer and set inside the 5 1/2" liner at 2600' and test liner to 2500 psi. POOH
9. Perforate using 3-1/2" casing guns (2 SPF 120 deg phasing) with Schlumberger's select-fire charge in the Chacra Zone approximately 3250'-3450' (Depths to be determined after evaluation of RST Log.)
10. Run 3 1/2" x 2 7/8" fracture treatment string and set frac packer at 2500'. Test fracture treatment string to 8000 psi.
11. RU frac equipment. Use BJ AquaStar System 175,000# and 70% Q N2 foam in fracture stimulation.
12. Frac Chacra according to pump schedule.
13. Flowback frac fluid immediately.
14. TIH with tubing and notched collar. Cleanout fill to 3500'. Blow well dry.
15. Pick up production pacer for 5 1/2" liner and RIH and set at 3000'
16. Test Chacra Zone for 8 hours.
17. If test is satisfactory well will be flowed to sales and rig moved off location for production evaluation of the Chacra..
18. ND BOP's. NU WH. Test well for air. Return well to production.

Russell LS 3
 Sec 23M, T28N, R8W
 API # 30-045-07242

GL: 5910'

History:

Completed as PC/MV dual in 8/53
 Commingled 2/96 added Menefee

Picture Cliff Perforations

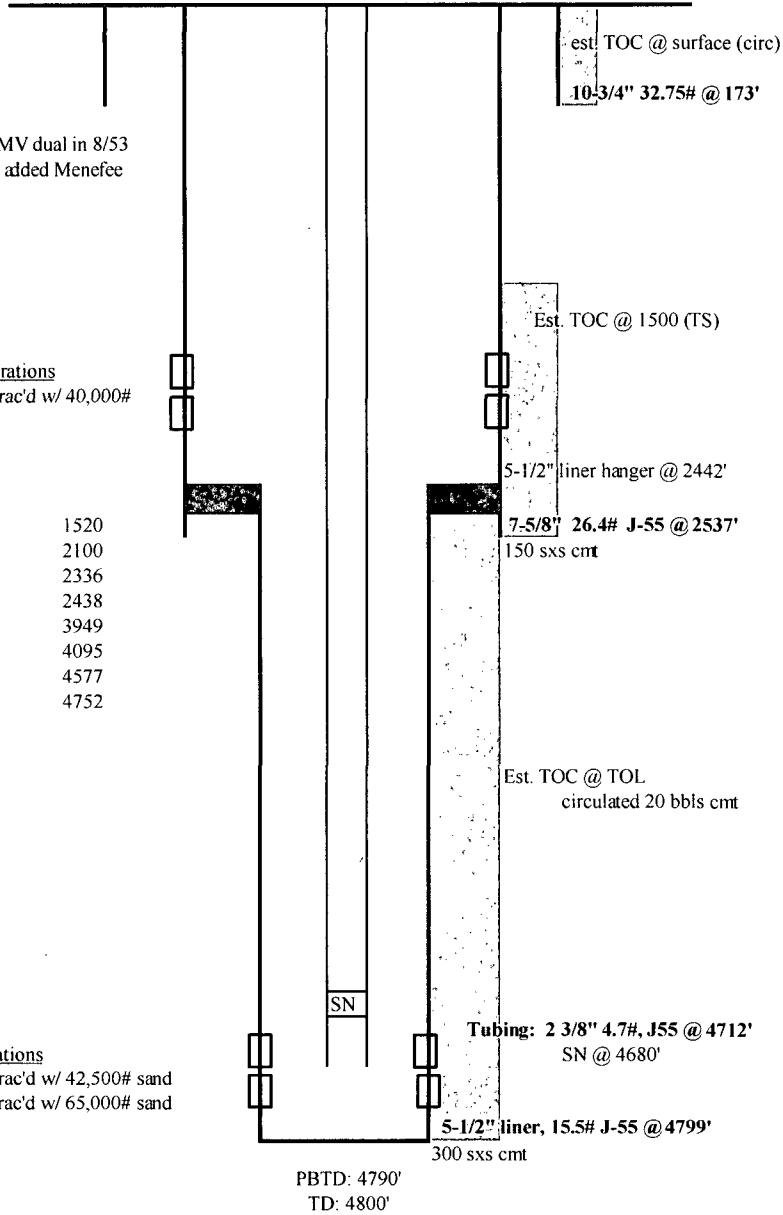
2328-2432' 2spf Frac'd w/ 40,000#

Formation Tops:

Kirtland Shale:	1520
Fruitland:	2100
Pictured Cliffs:	2336
Lewis Shale:	2438
Cliffhouse:	3949
Menefee:	4095
Point Lookout:	4577
Mancos Shale:	4752

Mesaverde Perforations

4009-4397' 2spf Frac'd w/ 42,500# sand
 4576-4726' 2spf Frac'd w/ 65,000# sand



NOTES:

updated: 3/21/07 ADB

Russell LS 3								
Mesaverde Formation								
API #	3004507242							
Starting 8/96 thru 3/26								
Exponential Decline								
Qi =	61.5	mcf/d	1-Jan-2007					
Qf =	8.04	mcf/d						
Di =	10.04%	per year						
Date	Gas Number of Wells	Gas Rate mcf/d	Gas Volume MMSCF	Date	Gas Number of Wells	Gas Rate mcf/d	Gas Volume MMSCF	Date
Jan-07	1	61.24	1.90	Apr-10	1	43.44	1.30	Jul-13
Feb-07	1	60.72	1.70	May-10	1	43.06	1.34	Aug-13
Mar-07	1	60.20	1.87	Jun-10	1	42.68	1.28	Sep-13
Apr-07	1	59.67	1.79	Jul-10	1	42.30	1.31	Oct-13
May-07	1	59.15	1.83	Aug-10	1	41.92	1.30	Nov-13
Jun-07	1	58.63	1.76	Sep-10	1	41.56	1.25	Dec-13
Jul-07	1	58.11	1.80	Oct-10	1	41.19	1.28	Jan-14
Aug-07	1	57.59	1.79	Nov-10	1	40.83	1.23	Feb-14
Sep-07	1	57.08	1.71	Dec-10	1	40.47	1.25	Mar-14
Oct-07	1	56.58	1.75	Jan-11	1	40.11	1.24	Apr-14
Nov-07	1	56.08	1.68	Feb-11	1	39.76	1.11	May-14
Dec-07	1	55.59	1.72	Mar-11	1	39.43	1.22	Jun-14
Jan-08	1	54.94	1.70	Apr-11	1	39.08	1.17	Jul-14
Feb-08	1	54.47	1.58	May-11	1	38.73	1.20	Aug-14
Mar-08	1	54.00	1.67	Jun-11	1	38.39	1.15	Sep-14
Apr-08	1	53.52	1.61	Jul-11	1	38.06	1.18	Oct-14
May-08	1	53.05	1.65	Aug-11	1	37.72	1.17	Nov-14
Jun-08	1	52.59	1.58	Sep-11	1	37.38	1.12	Dec-14
Jul-08	1	52.12	1.62	Oct-11	1	37.05	1.15	Jan-15
Aug-08	1	51.66	1.60	Nov-11	1	36.73	1.10	Feb-15
Sep-08	1	51.21	1.54	Dec-11	1	36.40	1.13	Mar-15
Oct-08	1	50.76	1.57	Jan-12	1	35.98	1.12	Apr-15
Nov-08	1	50.31	1.51	Feb-12	1	35.67	1.03	May-15
Dec-08	1	49.87	1.55	Mar-12	1	35.36	1.10	Jun-15
Jan-09	1	49.56	1.54	Apr-12	1	35.05	1.05	Jul-15
Feb-09	1	49.14	1.38	May-12	1	34.74	1.08	Aug-15
Mar-09	1	48.72	1.51	Jun-12	1	34.44	1.03	Sep-15
Apr-09	1	48.29	1.45	Jul-12	1	34.14	1.06	Oct-15
May-09	1	47.86	1.48	Aug-12	1	33.83	1.05	Nov-15
Jun-09	1	47.44	1.42	Sep-12	1	33.53	1.01	Dec-15
Jul-09	1	47.03	1.46	Oct-12	1	33.24	1.03	Jan-16
Aug-09	1	46.60	1.45	Nov-12	1	32.95	0.99	Feb-16
Sep-09	1	46.19	1.39	Dec-12	1	32.66	1.01	Mar-16
Oct-09	1	45.79	1.42	Jan-13	1	32.455	1.006	Apr-16
Nov-09	1	45.38	1.36	Feb-13	1	32.179	0.901	May-16
Dec-09	1	44.98	1.40	Mar-13	1	31.905	0.989	Jun-16

Russell LS 3							
Pictured Cliffs Formation							
API #	3004507242						
Starting 9/96 thru 3/26							
Exponential Decline							
Qi =	15.1 mcf/d	1-Jan-2007					
Qf =	2.0 mcf/d						
D =	10.06% per year						
Date	Gas Number of Wells	Gas Rate mcf/d	Gas Volume MMSCF	Date	Gas Number of Wells	Gas Rate mcf/d	Gas Volume MMSCF
Jan-07	1	15.02	0.47	Dec-09	1	11.03	0.34
Feb-07	1	14.90	0.42	Jan-10	1	10.93	0.34
Mar-07	1	14.77	0.46	Feb-10	1	10.84	0.30
Apr-07	1	14.64	0.44	Mar-10	1	10.74	0.33
May-07	1	14.51	0.45	Apr-10	1	10.65	0.32
Jun-07	1	14.38	0.43	May-10	1	10.56	0.33
Jul-07	1	14.25	0.44	Jun-10	1	10.46	0.31
Aug-07	1	14.13	0.44	Jul-10	1	10.37	0.32
Sep-07	1	14.00	0.42	Aug-10	1	10.28	0.32
Oct-07	1	13.88	0.43	Sep-10	1	10.19	0.31
Nov-07	1	13.76	0.41	Oct-10	1	10.10	0.31
Dec-07	1	13.64	0.42	Nov-10	1	10.01	0.30
Jan-08	1	13.48	0.42	Dec-10	1	9.92	0.31
Feb-08	1	13.36	0.39	Jan-11	1	9.83	0.31
Mar-08	1	13.24	0.41	Feb-11	1	9.75	0.27
Apr-08	1	13.13	0.39	Mar-11	1	9.66	0.30
May-08	1	13.01	0.40	Apr-11	1	9.58	0.29
Jun-08	1	12.90	0.39	May-11	1	9.49	0.29
Jul-08	1	12.78	0.40	Jun-11	1	9.41	0.28
Aug-08	1	12.67	0.39	Jul-11	1	9.33	0.29
Sep-08	1	12.56	0.38	Aug-11	1	9.24	0.29
Oct-08	1	12.45	0.39	Sep-11	1	9.16	0.28
Nov-08	1	12.34	0.37	Oct-11	1	9.08	0.28
Dec-08	1	12.23	0.38	Nov-11	1	9.00	0.27
Jan-09	1	12.15	0.38	Dec-11	1	8.92	0.28
Feb-09	1	12.05	0.34	Jan-12	1	8.82	0.27
Mar-09	1	11.95	0.37	Feb-12	1	8.74	0.25
Apr-09	1	11.84	0.36	Mar-12	1	8.67	0.27
May-09	1	11.74	0.36	Apr-12	1	8.59	0.26
Jun-09	1	11.63	0.35	May-12	1	8.51	0.26
Jul-09	1	11.53	0.36	Jun-12	1	8.44	0.25
Aug-09	1	11.43	0.35	Jul-12	1	8.36	0.26
Sep-09	1	11.33	0.34	Aug-12	1	8.29	0.26
Oct-09	1	11.23	0.35	Sep-12	1	8.22	0.25
Nov-09	1	11.13	0.33	Oct-12	1	8.14	0.25
				Nov-12	1	8.07	0.24

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 51714

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 82329	3. Pool Name OTERO CHACRA (GAS)
4. Property Code 1000	5. Property Name RUSSELL LS	6. Well No. 003
7. OGRID No. 778	8. Operator Name BP AMERICA PRODUCTION COMPANY	9. Elevation 5910

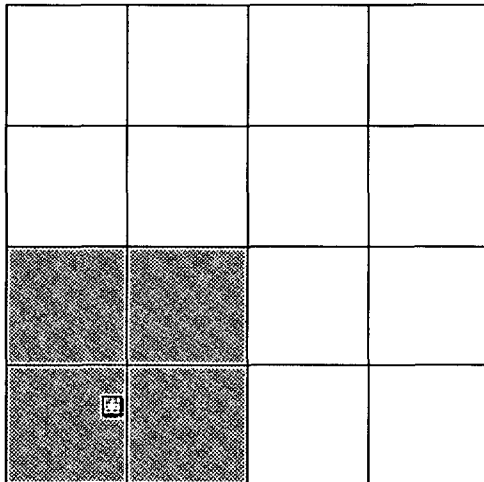
10. Surface Location

UL - Lot M	Section 23	Township 28N	Range 08W	Lot Idn	Feet From 890	N/S Line S	Feet From 1140	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00	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

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By:

Title:

Date:

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.

Surveyed By: Gary Vann

Date of Survey: 10/26/2006

Certificate Number: 7016