

Submit 3 Copies To Appropriate District  
Office  
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  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised March 25, 1999

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. <b>30-045-32490</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE FEE
2. Name of Operator <b>BP America Production Company Attn: Cherry Hlava</b>		6. State Oil & Gas Lease No.
3. Address of Operator <b>P.O. Box 3092 Houston, TX 77253</b>		7. Lease Name or Unit Agreement Name: <b>Schwerdtfeger A</b> (Notified BLM of DHC intent on APD filing NMSF-079319)
4. Well Location Unit Letter <b>N</b> <b>1020</b> feet from the <b>South</b> line and <b>1790</b> feet from the <b>West</b> line Section <b>31</b> Township <b>28N</b> Range <b>08W</b> NMPM <b>San Juan</b> County		8. Well No. <b>2 N</b>
10. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6417' GR</b>		9. Pool name or Wildcat <b>Basin Dakota &amp; Blanco Mesaverde</b>

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐  
OTHER: **Downhole Commingle** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

On 07/28/2004, BP America Production Company submitted an application for permit to drill and complete the subject well into the Basin Dakota, set a bridge plug, complete into the MV, establish a production rate, drill out the bridge plug and commingle production downhole. APD was approved on 12/15/2004. BP now seeks NMOCD approval to Downhole commingle production in the subject well as per procedure on reverse side of this Form.

The Basin Dakota (71599) & the Blanco Mesaverde (72319) Pools are Pre-Approved for Downhole Commingling per NMOCD Order R - 11363. The royalty interest is the same in both the MV & DK formations; therefore no notification is required.

Production is proposed to be allocated based on a fixed percentage. We will perform a deliverability test on the MV. There will also be a deliverability test on the combined zones and MV rate will be subtracted from the total well stream to establish the DK rate.

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

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

SIGNATURE Cherry Hlava TITLE Regulatory Analyst DATE 12/17/2004

Type or print name Cherry Hlava Telephone No. 281-366-4081

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE DEC 21 2004

Conditions of approval, if any:

(over)

**Schwerdtfeger A 2N**  
**Downhole Commingling Procedure**

1. Run TDT/CBL
2. Perforate DK
3. Frac the DK (Slick Water)
4. Set bridge between MV and DK formation
5. Perforate and frac (2 Stage N2 Foam) the MV Formation
6. Clean out MV frac and perform Government flow test on the MV formation to allocate production
7. Clean out frac and wellbore to PBTD
8. Run Completion String and RDSU
9. Put well on Line