

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 5/31/18 Well information:

frmWellFilterSub													
API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-32412-00-00	NORTHEAST BLANCO UNIT	406A	BP AMERICA PRODUCTION COMPANY	G	A	San Juan	F	J	22	31	N	7	W

Application Type:

- ☒ P&A ☐ Drilling/Casing Change ☐ Location Change
- ☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)
- ☐ Other:

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.
- Pump cement under the retainer on the first plug down to 2980' vertical depth plus 100% excess to ensure the Fruitland top at 2930' is properly isolated.

NMOCD Approved by Signature

8/17/18
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.*5. Lease Serial No.
NMSF079003

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
892000929B8. Well Name and No.
NEBU 406A9. API Well No.
30-045-32412-00-S110. Field and Pool or Exploratory Area
BASIN FRUITLAND COAL11. County or Parish, State
SAN JUAN COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE2. Name of Operator
BP AMERICA PRODUCTION COMPANYContact: TOYA COLVIN
Email: Toya.Colvin@bp.com3a. Address
380 AIRPORT RD
DURANGO, CO 813033b. Phone No. (include area code)
Ph: 281.892.53694. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 22 T31N R7W NWSE 1375FSL 1375FEL**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

BP requests to P&A the subject well. Please see the attached procedure, wellbore diagram, and BLM required reclamation plan documents.

In accordance with NMOCD Pit Rule 19.15.17.9 NMAC, BP will use a closed-loop system during operations.

Notify NMOCD 24 hrs
prior to beginning
operations

NMOCD

AUG 02 2018

DISTRICT III

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

Electronic Submission #422088 verified by the BLM Well Information System
For BP AMERICA PRODUCTION COMPANY, sent to the Farmington
Committed to AFMSS for processing by JACK SAVAGE on 08/01/2018 (18JWS0168SE)

Name (Printed/Typed) TOYA COLVIN

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 05/31/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JACK SAVAGE

Title PETROLEUM ENGINEER

Date 08/01/2018

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 Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

PLUG AND ABANDONMENT PROCEDURE

May 28, 2018

NEBU #406A

Basin Fruitland Coal

1375' FSL & 1375' FEL, Section 22, T-31-N, R-7-W
San Juan County, New Mexico / API 30-045-32412

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class G, mixed at 15.8 ppg with a 1.15 cf/sx yield.

1. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
2. Rods: Yes ☐, No ☒, Unknown ☐.
Tubing: Yes ☒, No ☐, Unknown ☐, Size 2 3/8", Length 3386'.
Packer: Yes ☐, No ☒, Unknown ☐, Type
3. **NOTE: BLM requires a CBL log to be run on all wells where the cement did not circulate to surface or a CBL log was not previously run. This procedure is prepared with the understanding that it may be modified based on the TOC from the CBL.**
4. **Plug #1 (5 1/2" liner top, 2525' - 2425'):** Round trip 7" casing scraper or gauge ring to 2525' or deep as possible. RIH and set 7" CR at 2525'. Pressure test tubing to 1000#. Mix 29 sxs Class G cement inside casing to isolate 5 1/2" liner top. PUH
5. **Plug #2 (Kirtland and Ojo Alamo tops, 2353' - 2125'):** Mix 54 sxs Class G cement inside casing from 2353' to 2125' to cover the Kirtland and Ojo Alamo tops. PUH.
6. **Plug #3 (Nacimiento top, 775' - 675'):** Mix 29 sxs Class G cement inside casing from 775' to 675' to cover the Nacimiento top. PUH.
7. **Plug #4 (9-5/8" casing shoe, and surface, 344' - 0'):** Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 67 sxs Class G cement and spot a balanced plug from 344' to surface, circulate good cement out casing valve. TOH and LD tubing. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface.
8. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and cut off anchors. Restore location per BLM stipulations

NEBU 406A Proposed P&A

Basin Fruitland Coal

1375' FSL & 1375' FEL, Section 22, T-31-N, R-7-W

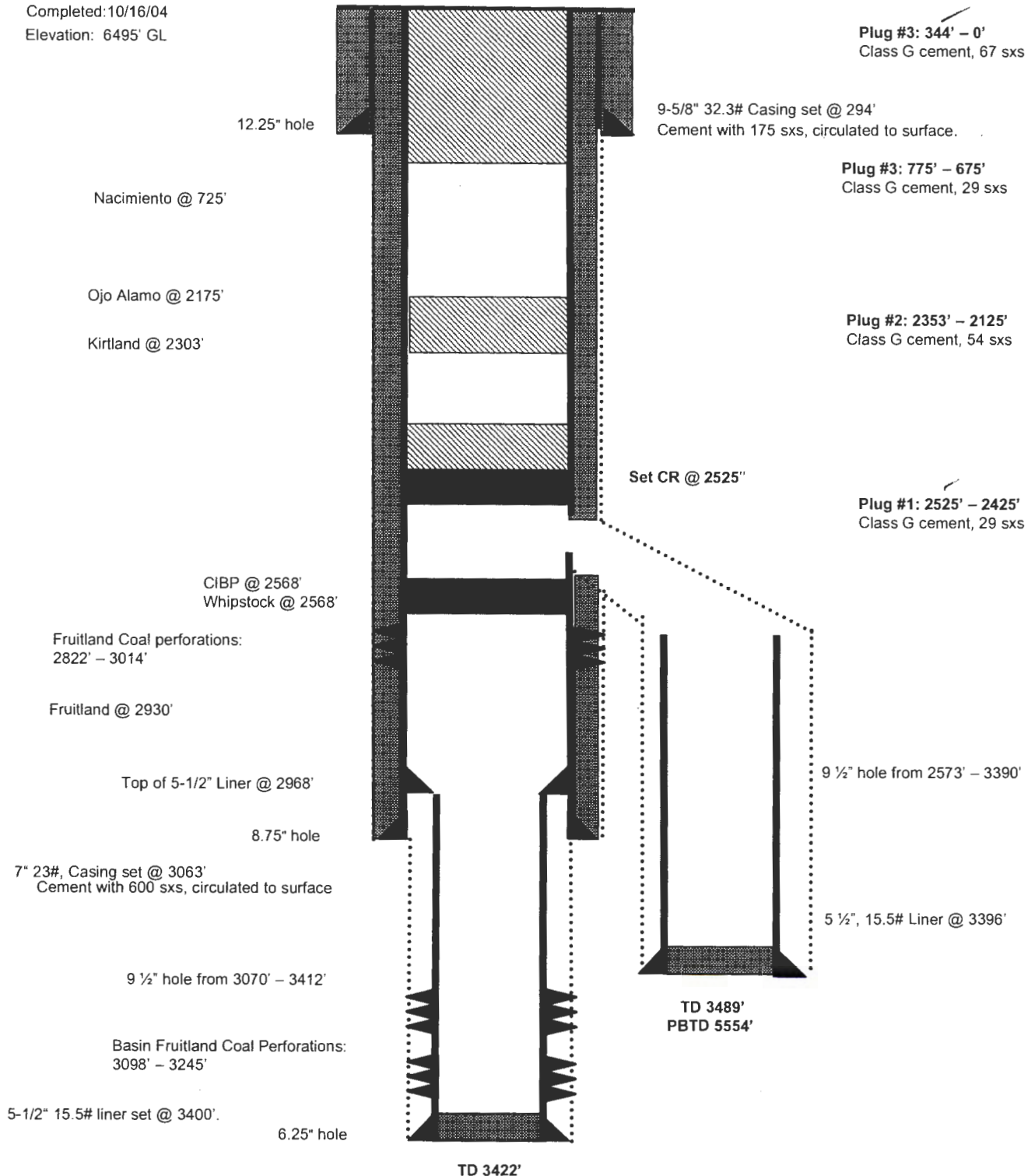
San Juan County, NM, API #30-045-32412

Today's Date: 5/24/18

Spud: 09/27/04

Completed: 10/16/04

Elevation: 6495' GL



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: NEBU 406A

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Combine plugs 1 and 2 (2525 – 2312) ft. to cover the Kirtland and Ojo Alamo tops. BLM picks top of Kirtland at 2493 ft. BLM picks top of Ojo Alamo at 2362 ft.
 - b) Set Plug 3 (914 – 814) ft. to cover the Nacimiento top. BLM picks top of Nacimiento at 864 ft.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.