

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, 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: 2/26/15

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-27338-00-00	KERNAGHAN B	005	BP AMERICA PRODUCTION COMPANY	G	A	San Juan	F	A	28	31	N	8	W

Application Type:

☐ P&A ☐ Drilling/Casing Change ☐ Location Change

☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)

☒ Other: Deepen

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations, casing & cement

See APD Conditions of approval regarding Hydraulic Fracturing, Oil base muds and Well-bore communication.

Hold C-104 for Mud Log

NMOCD Approved by Signature

3-3-15

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.*RECEIVED
NMSF078387A

FEB 18 2015

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

Farmington Field Office

Bureau of Land Management

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

Well Name and No.
KERNAGHAN B 59. API Well No.
30-045-27338-00-S110. Field and Pool, or Exploratory
BASIN FRUITLAND COAL11. County or Parish, and State
SAN JUAN COUNTY, NM

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE2. Name of Operator
BP AMERICA PRODUCTION CO. Contact: TOYA COLVIN
E-Mail: Toya.Colvin@bp.com3a. Address
501 WESTLAKE PARK BLVD. RM 4.423B
HOUSTON, TX 770793b. Phone No. (include area code)
Ph: 281-366-7148

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 28 T31N R8W NENE 1210FNL 1115FEL
36.872421 N Lat, 107.674820 W Lon

12. CHECK 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 checked="" 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"/> Fracture Treat	<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 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 recomplete 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 America Production Company respectfully requests to deepen and install liner in the subject well. Please see the attached procedure including wellbore diagrams and C-102 plat.

In accordance with NMOCD Pit Rule 49.15.17.9 NMAC, BP America Production Company will use a closed-loop system during operations.

RECEIVED

MAR 02 2015

NMOCD

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

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

Electronic Submission #292239 verified by the BLM Well Information System

For BP AMERICA PRODUCTION CO., sent to the Farmington
Committed to AFMSS for processing by TROY SALYERS on 02/26/2015 (15TLS0161SE)

Name (Printed/Typed) TOYA COLVIN

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 02/18/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By TROY SALYERS

Title PETROLEUM ENGINEER

Date 02/26/2015

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.

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

NMOCD

Kernaghan B 005
Fruitland
API # 30-045-27338
T-31N, R-08W, Sec. 28
San Juan County, New Mexico

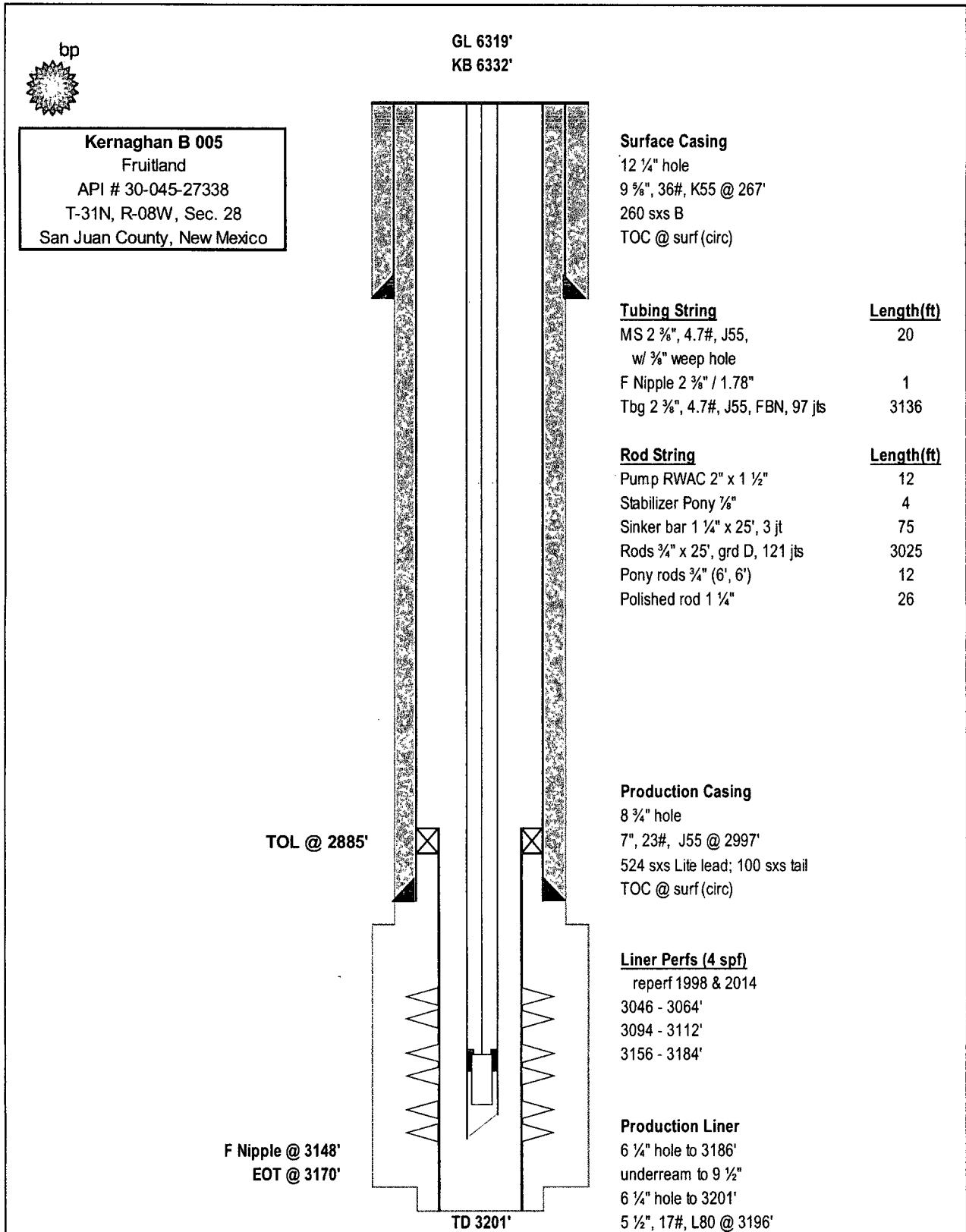
Reason/Background for Job

The proposed work is to pull existing liner, deepen the well to provide additional rathole and re-install liner to effectively produce the Fruitland Coal formation

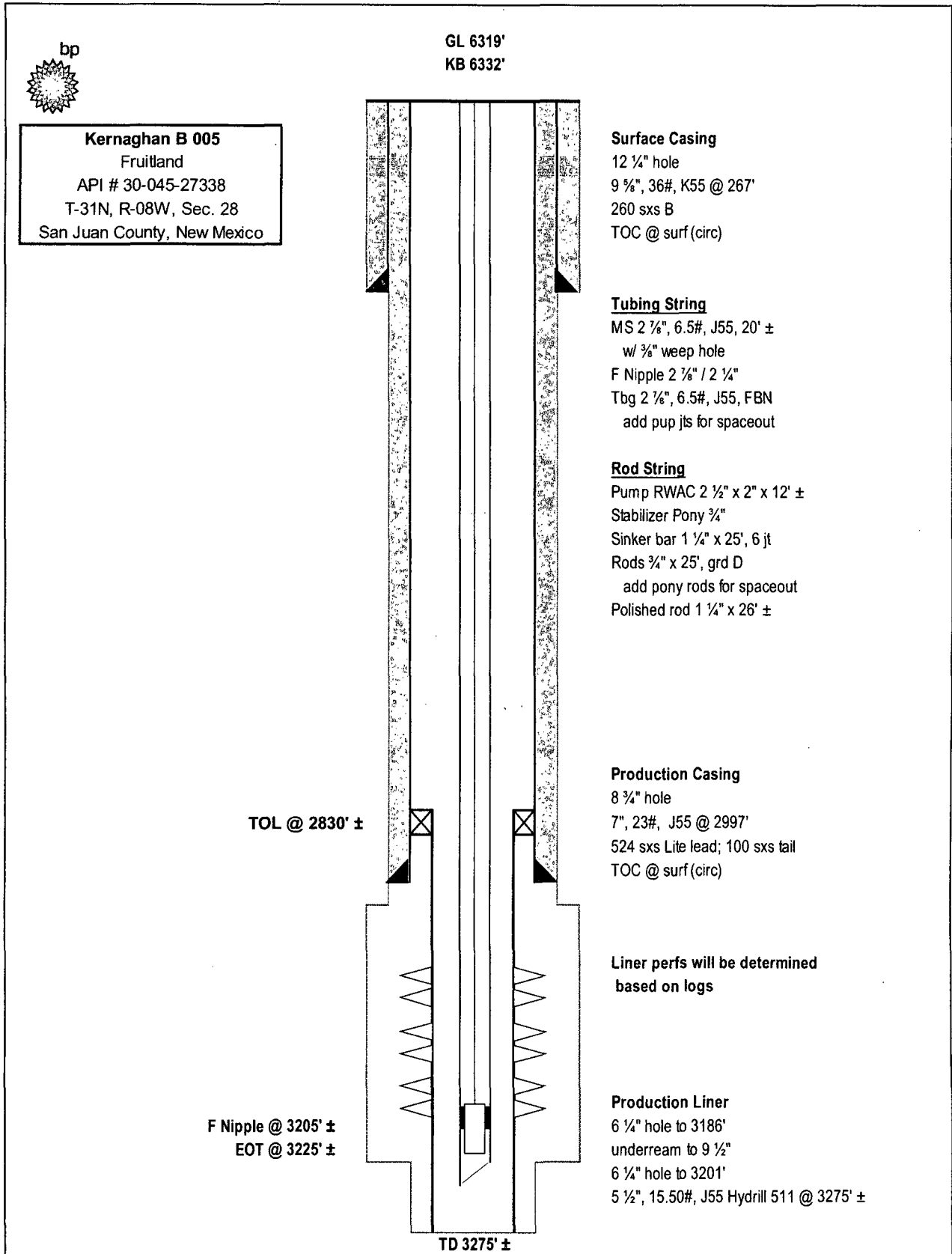
Basic job procedure

1. Pull tubing
2. Pull liner
3. Deepen well to $\pm 3275'$ – a mudlogger will be on location while drilling
4. Run liner – either pre-slotted or perforate after installation; liner might be run with bit and sub on bottom
5. Run tubing
6. Return well to production

Current WBD



Proposed WBD



District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-045-27338		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 000766		⁵ Property Name Kernaghan B			⁶ Well Number 5
⁷ OGRID No. 000778		⁸ Operator Name BP America Production Company			⁹ Elevation 6319

¹⁰ Surface Location

UL or lot no. A	Section 28	Township 31N	Range 08W	Lot Idn	Feet from the 1210	North/South line North	Feet from the 1115	East/West line East	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320	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.

¹⁶ 	¹⁷ 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 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. Signature: <u>Troya Colvin</u> Date: <u>8/15/2014</u> Printed Name: <u>Troya Colvin</u> E-mail Address: <u>Troya.Colvin@bp.com</u>	
	¹⁸ 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. Date of Survey: Signature and Seal of Professional Surveyor: Previously Filed Certificate Number:	