

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 |
|--------------------|-------------|--------|-------------------------------|------|------|----------|------------|----|-----|-----|-----|-----|-----|
| 30-045-27350-00-00 | KERNAGHAN B | 007    | BP AMERICA PRODUCTION COMPANY | G    | A    | San Juan | F          | H  | 30  | 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)

**X 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 MANAGEMENT

RECEIVED

FORM 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.*

FEB 18 2015

Lease Serial No.  
NMSF078387A

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**Farmington Field Office  
Bureau of Land Management

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

## 1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE8. Well Name and No.  
KERNAGHAN B 7

## 2. Name of Operator

BP AMERICA PRODUCTION CO.

Contact: TOYA COLVIN

E-Mail: Toya.Colvin@bp.com

9. API Well No.  
30-045-27350-00-S1

## 3a. Address

501 WESTLAKE PARK BLVD. RM 4.423B  
HOUSTON, TX 77079

## 3b. Phone No. (include area code)

Ph: 281-366-7148

10. Field and Pool, or Exploratory  
BASIN FRUITLAND COAL

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

Sec 30 T31N R8W SENE 1440FNL 1040FEL  
36.872314 N Lat, 107.710403 W Lon

11. County or Parish, and State

SAN JUAN COUNTY, NM

## 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 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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 19.15.17.9 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 #292243 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 (15TLS0162SE)

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 FY

**Kernaghan B 007**

Coal

API #30-045-27350-00

Unit H - Sec 30 - T31N - R08W

San Juan County, New Mexico

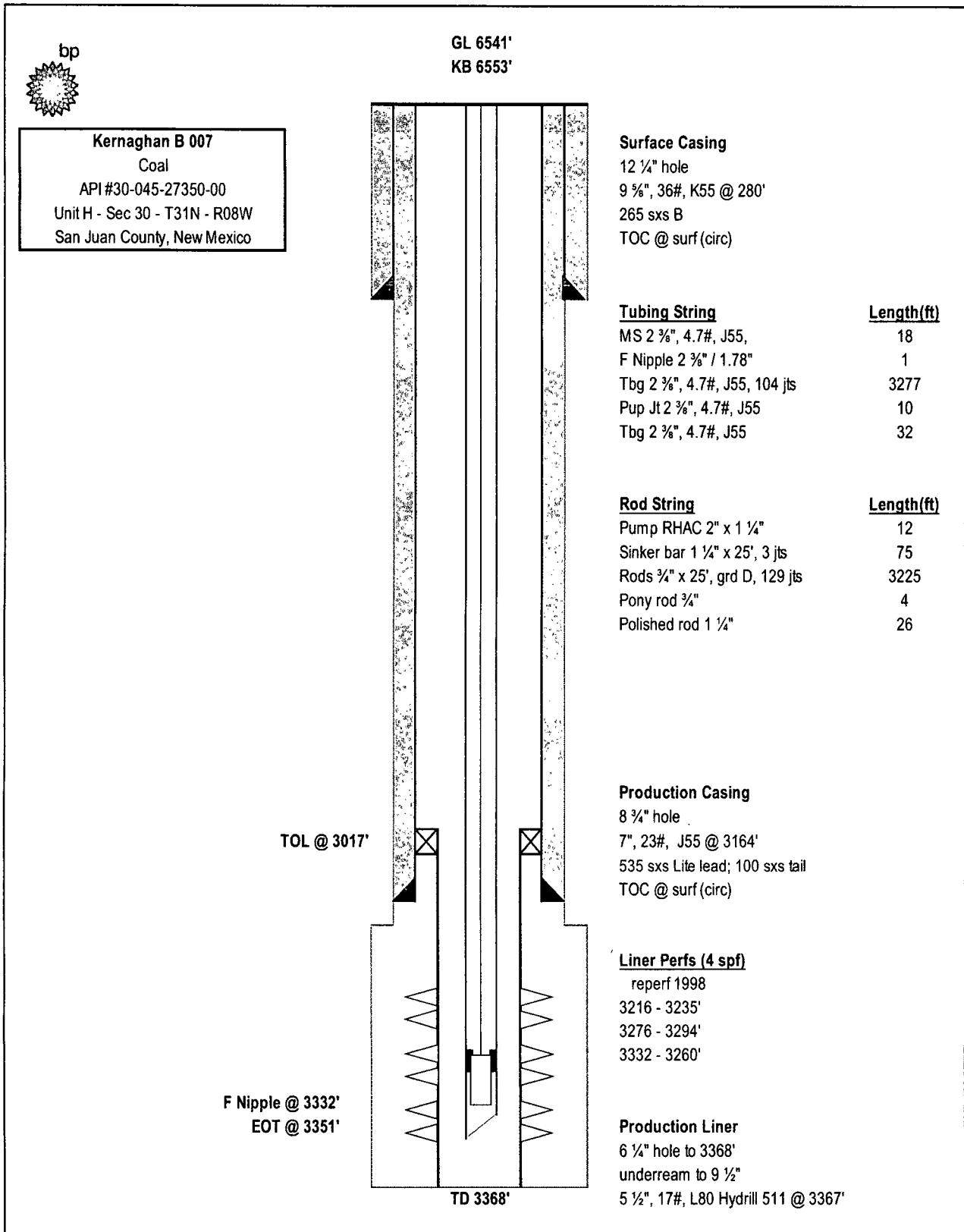
**Reason/Background for Job**

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

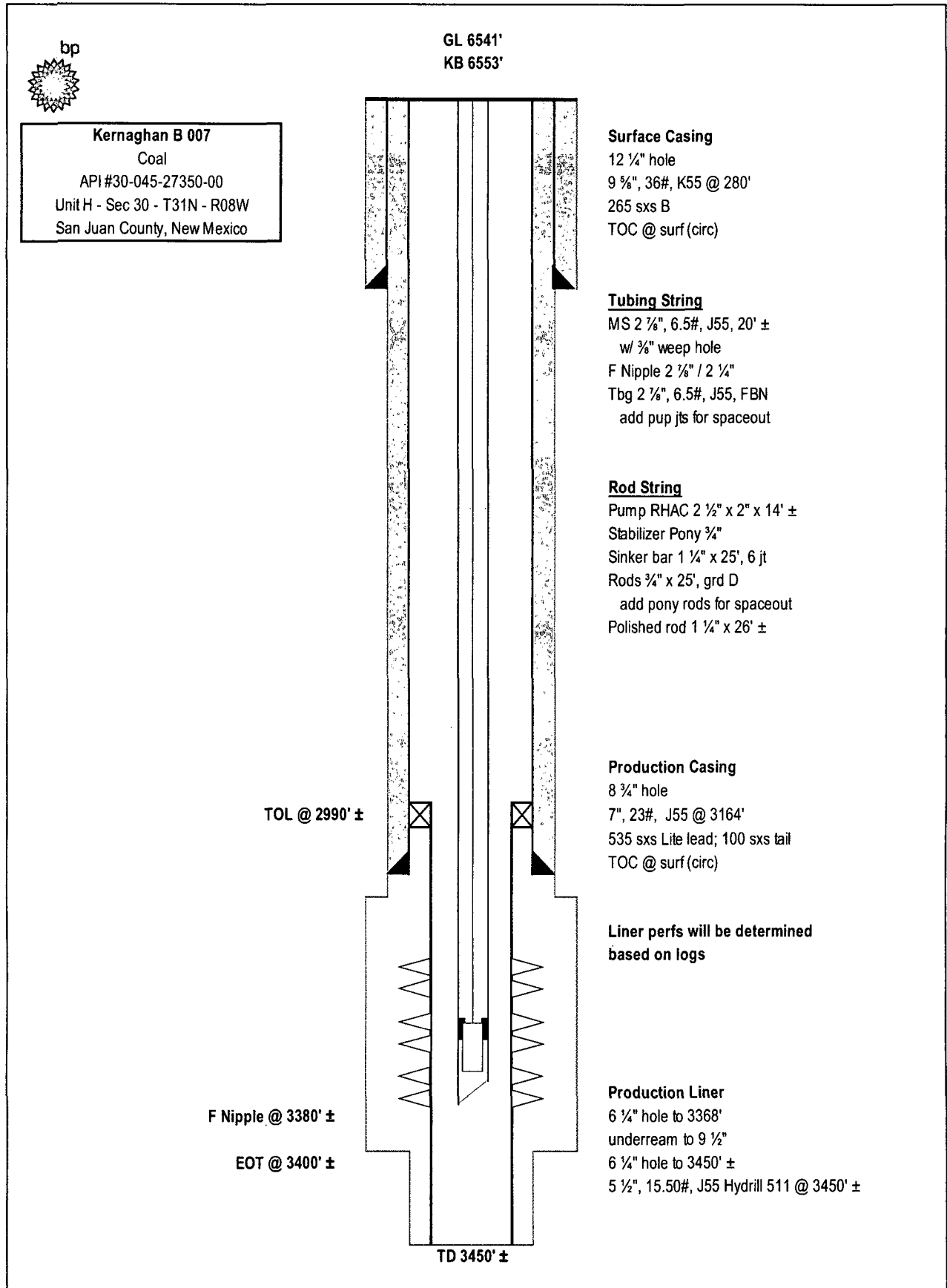
**Basic job procedure**

1. Pull tubing
2. Pull liner
3. Deepen well to  $\pm 3450'$  – 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**

|   |   |  |
|---|---|--|
| <sup>1</sup> API Number<br>30-045-27350 | <sup>2</sup> Pool Code<br>71629                             | <sup>3</sup> Pool Name<br>Basin Fruitland Coal |
| <sup>4</sup> Property Code<br>000766    | <sup>5</sup> Property Name<br>Kernaghan B                   | <sup>6</sup> Well Number<br>7                  |
| <sup>7</sup> OGRID No.<br>000778        | <sup>8</sup> Operator Name<br>BP America Production Company | <sup>9</sup> Elevation<br>6541                 |

<sup>10</sup> Surface Location

|                    |               |                 |              |         |                       |                           |                       |                        |                    |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|--------------------|
| UL or lot no.<br>H | Section<br>30 | Township<br>31N | Range<br>08W | Lot Idn | Feet from the<br>1440 | North/South line<br>North | Feet from the<br>1040 | East/West line<br>East | County<br>San Juan |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|--------------------|

<sup>11</sup> 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 |
| <sup>12</sup> Dedicated Acres<br>320 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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.

|               |   |
|---------------|---|
| <div>16</div> | <div><sup>17</sup> <b>OPERATOR CERTIFICATION</b><br/>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.<br/><br/>Toya Colvin 2/18/15<br/>Signature Date<br/><br/>Toya Colvin<br/>Printed Name<br/><br/>Toya.Colvin@bp.com<br/>E-mail Address</div> |
|               | <div><sup>18</sup> <b>SURVEYOR CERTIFICATION</b><br/>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.<br/><br/>Date of Survey<br/>Signature and Seal of Professional Surveyor:<br/><br/>Previously Filed<br/><br/>Certificate Number</div>   |
|               |   |
|               |   |