

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: 3/19/2015

Well information:

| API WELL # | Well Name | Well # | Operator Name | Type | Stat | County | Surf_Owner | UL | Sec | Twp | N/S | Rng | W/E |
|--------------------|-----------|--------|-------------------------------|------|------|----------|------------|----|-----|-----|-----|-----|-----|
| 30-045-27352-00-00 | MOORE B | 003 | BP AMERICA PRODUCTION COMPANY | G | A | San Juan | F | A | 5 | 30 | 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 well

Conditions of Approval:

Hold C-104 for mud log

If perforations are above or below existing peris file C104 and C105 before
returning to production.

NMOCD Approved by Signature

3/27/15
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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side****RECEIVED**

| | | |
|--|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE | | 8. Well Name and No. MOORE B 3 |
| 2. Name of Operator BP AMERICA PRODUCTION CO. Contact: TOYA COLVIN E-Mail: Toya.Colvin@bp.com | | 9. API Well No. 30-045-27352-00-S1 |
| 3a. Address 200 ENERGY CT. FARMINGTON, NM 87401 | 3b. Phone No. (include Farmington Field Office) Ph: 281-366-7488 | 10. Field and Pool, or Exploratory BASIN FRUITLAND COAL |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T30N R8W NENE 1290FNL 1220FEL 36.843597 N Lat, 107.693176 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 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.

OIL CONS. DIV DIST. 3

In accordance with NMOC D Pit Rule 19.15.17.9 NMAC, BP America Production Company will use a closed-loop system during operations.

MAR 26 2015

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

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

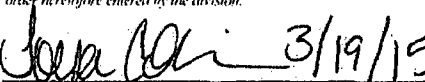
| | |
|--|--------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #295527 verified by the BLM Well Information System For BP AMERICA PRODUCTION CO., sent to the Farmington Committed to AFMSS for processing by TROY SALYERS on 03/23/2015 (15TLS0183SE) | |
| Name (Printed/Typed) TOYA COLVIN | Title REGULATORY ANALYST |
| Signature (Electronic Submission) | Date 03/19/2015 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------------------------|--------------------------|
| Approved By <u>TROY SALYERS</u> | Title <u>PETROLEUM ENGINEER</u> | Date <u>03/23/2015</u> |
| 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 <u>Farmington</u> |

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 ******NMOCDAV**

| | | | | |
|----|--|--|-------|--|
| 16 | | | 1290' | |
| | | | 1220' | <p>17 OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p style="text-align: right;">  3/19/15 </p> <p>Signature Date</p> <p>Tova Colvin Printed Name</p> <p>Tova.Colvin@bhp.com E-mail Address</p> |
| | | | | <p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p style="text-align: center; margin-top: 20px;">Previously Filed</p> <p>Certificate Number</p> |

Moore B 003

Coal

API # 30-045-2735200

Unit A - Sec 05 - T30N - 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 $\pm 3180'$ – 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

Proposed WBD



Moore B 003

Coal

API # 30-045-2735200

Unit A - Sec 05 - T30N - R08W

San Juan County, New Mexico

GL 6270'

KB 6283'

TOL @ 2450' ±

F Nipple @ 3060'
EOT @ 3130' ±

TD 3180' ±

Surface Casing

12 1/4" hole

9 5/8", 36#, K55 @ 328'

310 sxs B

TOC @ surf (circ)

Tubing String

MS 2 3/8", 4.7#, J55, 20' ±

w/ 1/2" weep hole

F Nipple 2 3/8" / 1.78"

Tbg 2 3/8", 4.7#, J55

add pup jts for spaceout

Tbg 2 3/8", 4.7#, J55, FBN

Rod String

Pump RHAC HR 2" x 1 1/4" x 12' ±

Stabilizer Pony 7/8" x 4' ±

Sinker bars 1 1/4" x 25', 3 jts

Stabilizer Pony 7/8" x 4' ±

Rods 3/4" x 25', grd D

add pony rods for spaceout

Polished rod 1 1/4" x 26' ±

Production Casing

8 3/4" hole

7", 23#, J55 @ 2892'

526 sxs

TOC @ surf (circ)

Liner perfs will be determined
based on logs

Production Liner

6 1/4" hole

underream to 9 1/2" 2895 - 3084'

6 1/4" hole 3084 - 3180' ±

5 1/2", 15.50#, J55 Hydrill 511 @ 3180' ±

BLM CONDITIONS OF APPROVAL

CASING REPAIR, WORKOVER AND RECOMPLETION OPERATIONS:

1. If casing repair operations are needed, obtain prior approval from this office before commencing repairs. If a CBL or other logs are run, provide this office with a copy.
2. After any casing repair operations, test cement squeeze to a minimum of 500# for 30 minutes with no more than 10 % pressure fall off in the 30 minute test period. Provide test chart with your subsequent report of operations
3. A properly functioning BOP and related equipment must be installed prior to commencing workover, casing repair, and/or recompletion operations.
4. Contact this office at (505) 564-7750 prior to conducting any cementing operations:

SPECIAL STIPULATIONS:

1. **Pits will be fenced during work-over operation.**
2. **All disturbance will be kept on existing pad.**
3. **All pits will be pulled and closed immediately upon completion of the recompletion and work-over activities.**
4. **Pits will be lined with an impervious material at least 12 mils thick.**