

Submit One Copy To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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 November 3, 2011

SUNDRY NOTICES AND REPORTS ON WELLS (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. 30-045-28116
1. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator BP America Production Company		6. State Oil & Gas Lease No.
3. Address of Operator 737 North Eldridge Parkway Houston, TX 77079		7. Lease Name or Unit Agreement Name Gallegos Canyon Unit
4. Well Location Unit Letter <u>N</u> : <u>705</u> feet from the <u>South</u> line and <u>1555</u> feet from the <u>West</u> line Section <u>30</u> Township <u>29N</u> Range <u>12W</u> NMPM _____ County <u>San Juan</u>		8. Well Number 394
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5550'		9. OGRID Number 000778
		10. Pool name or Wildcat Basin Fruitland Coal

12. 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 COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

☒ Location is ready for OCD inspection after P&A

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☐ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment. *Subject well shares pad with BP active well GCU 187E (API 3004524172). Final abandonment of pad will be completed upon the P&A of GCU 187E well.*
☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
☐ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location. *Subject well shares pad with BP active well GCU 187E (API 3004524172). Final abandonment of pad will be completed upon the P&A of GCU 187E well.*
☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
☒ All other environmental concerns have been addressed as per OCD rules.
☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
☐ If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure. *Subject well shares pad with BP active well GCU 187E (API 3004524172). Final abandonment of pad will be completed upon the P&A of GCU 187E well.*
Surface owner concurrence letter attached stating that the surface owner is in agreement that final reclamation is to their satisfaction and meets their expectations.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. For scheduling of onsite please contact Sabre Beebe at Sabre.Beebe@bp.com or 970-779-9398.

SIGNATURE Tova Colvin TITLE Regulatory Analyst DATE 04/12/2017
TYPE OR PRINT NAME Tova Colvin E-MAIL: Tova.Colvin@bp.com PHONE: 281-892-5369

For State Use Only

APPROVED BY: Paul D. Kelly TITLE Compliance Officer DATE 4/24/2017
Conditions of Approval (if any): N

AGREEMENT FOR ABANDONMENT OF WELL SITES, BURIED PIPELINES AND LEASE ROADS

This Agreement is made this 2nd day of November, 2016 by and between BP America Production Company ("BP") and B Square Ranch LLC, with an address of, 3901 Bloomfield Hwy, Farmington, NM ("Landowner").

WHEREAS, BP is the Operator, on behalf of itself, successors, assigns, affiliates, officers, directors, employees and its partners (collectively the "Releasees") in the Well Sites, Associated Buried Pipelines and Associated Lease Roads described and located as listed on Exhibit A.

WHEREAS, BP has abandoned or intends to abandon the aforementioned Well Sites, Associated Buried Pipelines and Associated Lease Roads, pursuant to obligations imposed upon BP under oil and gas leases, surface use agreements and releases, common law, the law of the State of New Mexico, the current Rules and Regulations that exist on the date of this agreement of the New Mexico Oil Conservation Division, the Bureau of Land Management and/or otherwise.

WHEREAS, Landowner desires BP to abandon the Well Sites, Associated Buried Pipelines and Associated Lease Roads, as is, without, restoration and revegetation, and desires to relieve BP of any further and other responsibility to restore the surface of the Well Sites and Associated Lease Roads and/or to reestablish vegetative cover as to the said Well Sites and Associated Lease Roads.

WHEREAS, Landowner agrees that any of their reclamation activities, that may occur, on any of the abandoned Well Sites and Associated Lease Roads will not interfere with BP's ability to access and operate the active well that is located on any of the above referenced co-located Well Sites.

NOW THEREFORE, in consideration of the payment of One hundred thousand and No/100 Dollars (\$100,000.00) and other valuable consideration, the receipt and sufficiency is hereby acknowledged by both parties, BP and Landowner agree as follows:

1. BP and Landowner acknowledge and agree that BP has abandoned the aforementioned Well Sites, Associated Buried Pipelines and Associated Lease Roads.
2. BP acknowledges that all abandoned Associated Buried Pipelines have been properly isolated, purged and abandoned according to current regulations that existed on the execution date of this agreement.
3. Landowner agrees to assume any and all responsibility for restoration of the surface of the Well Sites and Associated Lease Roads and further agrees that BP and its Releasees are completely relieved of any further obligation of, or liability for, surface restoration, of the Well Sites and/or Associated Lease Roads thereto.
4. As further consideration for the payment herein, Landowner, on behalf of itself, successors and assigns, does hereby forever release, relinquish and discharge BP and its Releasees, from all debts, claims, demands, damages and causes of action whatsoever, known or unknown, including such as have arisen or may hereafter arise by reason of or which have in any manner grown out of and which may hereafter grow out of said Well Sites, Associated Buried Pipelines and/or Associated Lease Roads associated therewith.
5. BP and Landowner acknowledge and agree that BP will abandon in place certain pieces of equipment as described in Exhibit A that is currently located at some of the said Well Sites. Landowner desires to assume ownership and responsibility of said equipment as described in Exhibit A. Landowner, on behalf of itself, successors and assigns, does hereby forever release, relinquish and discharge BP and its Releasees, from all debts, claims, demands, damages and causes of action whatsoever, known or unknown, including such as have arisen or may hereafter arise by reason of or which have in any manner grown out of and which may hereafter grow out assuming ownership and responsibility for said equipment.
6. This Agreement shall be binding upon and shall inure to the benefit of, the parties hereto, their heirs, successors and assigns. It is the parties further intent that Landowner's agreement to permit BP to abandon said Well Sites, Associated Buried Pipelines and Associated Lease Roads, without restoration or revegetation, constitutes a covenant by said Landowner which shall run with the land and be binding upon Landowner's successors entitled to the property which is the subject of this Agreement.
7. Landowner represents and warrants to BP that Landowner owns 100% of the right, title, and interest in and to the surface tract upon which said Well Sites, Associated Buried Pipelines and Associated Lease Roads thereto are located and said Landowner agrees to indemnify and hold BP harmless from all claims asserted by and landlord, tenant, lien holder or other owner of the property asserting an interest or rights adverse or contrary to the interest warranted by Landowner herein.

8. The parties agree that a Memorandum of the Agreement shall be executed and filed in the real property records for San Juan County, New Mexico. In addition, all terms and conditions of this Agreement shall remain confidential between the Landowner and BP (collectively "Parties"), except it may be disclosed to the Parties' successors in interest, including potential purchasers.

Executed this 22nd day of November, 2016

B Square Ranch LLC

Tommy Bolack
By: Tommy Bolack

BP America Production Company

Debra Bacon
By: Debra Bacon, Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF HARRIS)

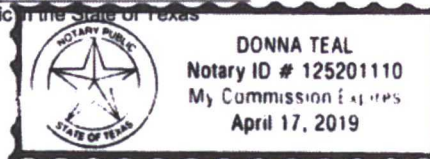
The foregoing instrument was acknowledged before me this 2 day of November, 2016 by Debra Bacon as Attorney-in-Fact for BP America Production Company, a Delaware corporation.

Witness my hand and official seal the day and year last above written.

My Commission Expires:

4/17/19

Donna Teal
Notary Public in the State of Texas



STATE OF NEW MEXICO)
COUNTY OF SAN JUAN) ss

On this 22nd day of November, 2016, before me the undersigned Notary Public in and said County and State, personally appeared Tommy Bolack, as owner of B Square Ranch LLC, known to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same as his free and voluntary act and deed for the purposes and consideration therein mentioned and set forth.

Witness my hand and official seal the day and year last above written.

My Commission Expires:

6-13-18

Mike L. Mankin
Notary Public in the State of New Mexico



EXHIBIT "A"

Attached to and made a part of the Agreement for Abandonment of Well Sites, Buried Pipeline and Lease Roads, dated November 2, 2016, between Tommy Bolack, Owner of B Square Ranch, LLC and BP America Production Company.

WELL	API	LOCATION	(S-T-R)	SHARED PAD
1. GCU 308	3004524624	SESE	7-T28N-R12W	N/A
2. GCU 289	3004523820	SESW	8-T28N-R12W	N/A
3. GCU 584	3004531601	NENW	18-T28N-R12W	N/A
4. GCU 22	3004507479	SWNE	18-T28N-R12W	N/A
5. GCU 130	3004507510	NWNE	18-T28N-R12W	N/A
6. GCU 582	3004531017	NWNW	19-T28N-R12W	GCU 196E, 3004524254
7. GCU 509	3004528170	NWNW	28-T29N-R12W	N/A
8. GCU 394	3004528116	SESW	30-T29N-R12W	GCU 187E, 3004524172
9. GCU 292	3004523787	SESW	30-T29N-R12W	N/A
10. GCU 285	3004523605	SESW	31-T29N-R12W	N/A
11. GCU 332	3004525475	SESE	31-T29N-R12W	GCU 221E, 3004524259
12. GCU 210E	3004524249	NENW	31-T29N-R12W	N/A
13. GCU 322	3004524626	SENE	31-T29N-R12W	N/A
14. GCU 323	3004524615	SWSW	32-T29N-R12W	N/A
15. GCU 324	3004524614	SESW	30-T29N-R12W	N/A
16. GCU 236E	3004526270	SWSW	14-T28N-R13W	N/A
17. GCU 234	3004511714	NENE	14-T28N-R13W	GCU 571, 3004530703
18. GCU 239	3004511740	SENE	24-T28N-R13W	N/A
19. GCU 240E	3004526341	NENW	24-T28N-R13W	N/A
20. GCU 161E	3004524886	SESW	23-T29N-R13W	GCU 390, 3004528309
21. GCU 262	3004520285	SESW	24-T29N-R13W	GCU 377, 3004527537
22. GCU 304	3004523939	SESW	24-T29N-R13W	GCU 377, 3004527537
23. GCU 163	3004507795	SWSE	26-T29N-R13W	N/A
24. GCU 135E	3004526295	SWNE	26-T29N-R13W	N/A
25. CALLOW A1	3004507913	NWNW	27-T29N-R13W	N/A
26. CALLOW 8	3004507790	SWSE	27-T29N-R13W	N/A
27. CALLOW 11	3004507887	SESW	28-T29N-R13W	N/A
28. CALLOW 9E	3004524294	SENE	28-T29N-R13W	N/A
29. GCU 325	3004524627	SWNW	35-T29N-R13W	N/A
30. GCU 164E	3004524957	NENW	35-T29N-R13W	N/A
31. GCU 164	3004507622	SWSW	35-T29N-R13W	GCU 396, 3004528310
32. GCU 44	3004507610	SWSW	35-T29N-R13W	N/A
33. GCU 326	3004524616	SESW	36-T29N-R13W	N/A
34. GCU 163E	3004524870	SWSW	26-T29N-R13W	N/A
35. GCU 367	3004526880	SESW	31-T29N-R12W	N/A
36. GCU 262E	3004526159	SESE	24-T29N-R13W	N/A



