Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 08 2008
Bureau of Land Management
Farmington Field Office

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.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5 Lease Serial No: **SF – 078904-A**

6 If Indian, Allottee or tribe Name:

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

1 Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.: **Gallegos Canyon Unit 265E**

2 Name of Operator: **BP America Production Company Attn: Cherry Hlava**

9 API Well No.: **30-045-26706**

3a. Address: **P.O. Box 3092 Houston, TX 77253**

3b. Phone No. *(include area code)*: **281-366-4081**

10. Field and Pool, or Exploratory Area: **Cha Cha Gallup**

4 Location of Well *(Footage, Sec., T., R., M., or Survey Description)*: **1800' FWL & 1650' FSL SEC 25 T28N R12W**

11. County or Parish, State: **San Juan County, New Mexico**

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
■ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	■ *Other Downhole Commingle*
	☐ Change Plans	☐ Plug and Abandon	☐ Water Disposal	
	☐ Convert to Injection	☐ Plug Back		

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 requests permission to complete into the ~~Cha Cha Gallup~~, and downhole commingle production with the existing Basin Dakota. Basin Mancos 97232 Basin Mancos

The Basin Dakota (71599) & the ~~Cha Cha Gallup (11880)~~ pools are Pre-Approved for Down hole Commingling per NMOCD **CASE NO.12520, ORDER NO. R-11567 effective 04/26/2001**. Although the interest owners are not identical between these two pools, this same order established approval for subsequent applications for down hole commingling of production in wellbores within the Gallegos Canyon Unit without notice to the unit interest owners, therefore, no additional notification is required prior to down hole commingling approval.

Production is proposed to be allocated based on a fixed percentage rate. It is our intent to set a bridge plug over the Basin Dakota & complete into the Gallup. We will run a 90-day test (or longer) to establish a stabilized rate of production for the Gallup. We will then drill out the CIBP, run a combined flow test of both zones and subtract the established rate for the Gallup to determine the rate for the Dakota.

14 I hereby certify that the foregoing is true and correct
Name (Printed/typed): **Cherry Hlava** DHC2925AZ Title **Regulatory Analyst**

RCVD AUG 11 '08
OIL CONS. DIV.
DIST. 3

Signature *Cherry Hlava* *Date* **08/07/08**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Original Signed: Stephen Mason**	Title	Date AUG 0 8 2008
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	

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

NMOCD

District I
1625 N French Dr , Hobbs, NM 88240
Phone (505) 393-6161 Fax (505) 393-0720
District II
1301 W Grand Ave , Artesia, NM 88210
Phone (505) 748-1283 Fax (505) 748-9720
District III
1000 Rio Brazos Rd , Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr , Santa Fe, NM 87505
Phone (505) 476-3470 Fax (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 79196

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name	
30-045-26706	~~11880~~ 17232	CHA CHA GALLUP	
4 Property Code	5 Property Name		6 Well No
570	GALLEGOS CANYON UNIT		265E
7 OGRID No	8 Operator Name		9 Elevation
778	BP AMERICA PRODUCTION COMPANY		5896

10. Surface Location

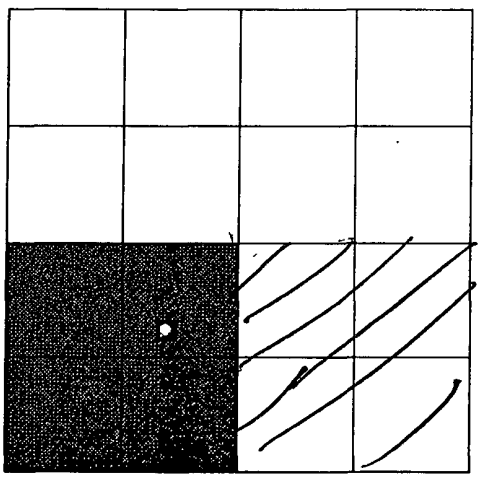
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	25	28N	12W		1650	S	1800	W	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No
~~160.00~~ 320			

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



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(s) 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

E-Signed By: Kristen Holden
Title: Regulatory Analyst
Date: 8/07/08

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

Surveyed By: Fred Kerr
Date of Survey: 1/9/1985
Certificate Number: 3050

L CONSERVATION DIVISI(

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
AMOCO PRODUCTION COMPANY	GALLEGOS CANYON UNIT	265E

Unit Letter	Section	Township	Range	County
K	25	28N	12W	San Juan

Actual Footage Location of Well: 1650 feet from the South line and 1800 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage
5896	Dakota & Gallup	Basin Dakota/Simpson Gallup Ex	320/40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

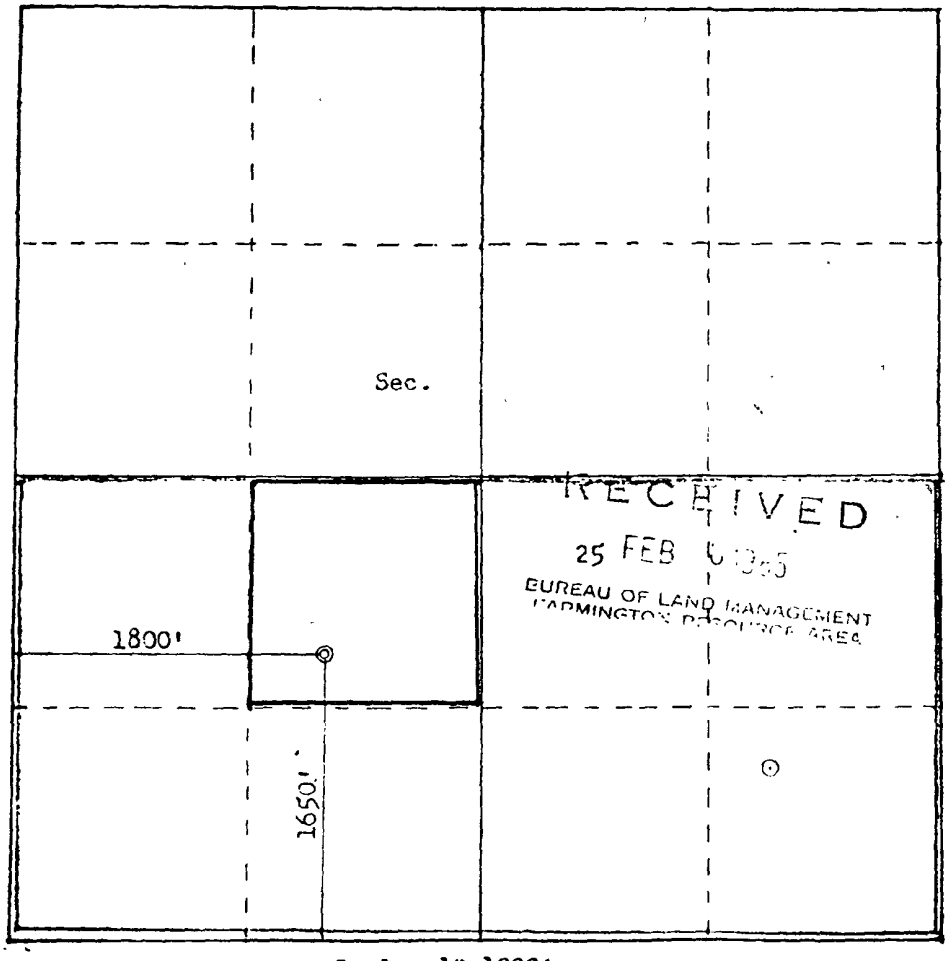
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

[X] Yes [ ] No If answer is "yes," type of consolidation Unitized

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



RECEIVED
25 FEB 1985
BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

Scale: 1"=1000'

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Original Signed By

Name B. D. Shaw

B.D. Shaw

Position
Administrative Supervisor

Company
Amoco Production Company

Date
2/4/85

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 knowledge and belief.

Date Surveyed
January 7, 1985

Registered Professional Engineer and Land Surveyor

Fred B. Kerr Jr.

Certificate No. 3950

SJ Basin Well Work Procedure

July 22, 2008

Well Name:	**GCU 265E**		
API #:	**30-045-26706**		
Location:	**T28N-R12W-Sec25**		
County:	**San Juan**		
State:	**New Mexico**		
Horizon:	**DK**	**Engr:**	**Matt Mientka**
CO2:			**ph (281) 366-5721**

Objective: Add and Stimulate Gallup and Rod Up.

1. Pull out completion.
2. Clean out.
3. Perforate and frac Gallup
4. Clean out to TD and land tubing.
5. Install down hole pump and rods
6. Return well to production, downhole commingle Gallup and Dakota

History: Spud date of 01/13/1986, originally a DK well, still producing.
Tubing was landed above Dakota Formation in 1998

Procedure:

Preparations

1. Perform pre-rig site inspection. Check for size of location, gas taps, other wells, other operators, running equipment, wetlands, wash (dikes required), H2S, barriers needed for equipment, landowner issues, location of pits (buried lines in pits), raptor nesting, critical location.

2. Check anchors. Check ID wellhead, if earth pit is required have One Call made 48 hours prior to digging.

3. Have P&S strip location and set barriers as necessary. Lock out/tag out any remaining production equipment.

Rig Operations

4. MIRU workover rig. Hold safety meeting and perform JSA. Complete necessary paperwork and risk assessment.

5. Check and record tubing, casing, and bradenhead pressures. Ensure production casing has double casing valves installed. Double valve all casing strings. Check hold down pins on hanger.

6. Blow down well to flow back tank. Kill with 2% KCl water ONLY if necessary. Check all casing strings to ensure no pressure exist on any annulus.

7. RU slickline. Set mechanical barrier plugs in tubing. Blowdown / kill tubing and casing.

8. Nipple down Wellhead. NU BOPs and diversion spool with 3" outlets and 3" pipe to the blow tank. Pressure test BOPs to 200 psi above BHP. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover.

9. Install stripping rubber, pull tubing hanger up above pipe rams, and shut pipe rams. Remove stripping rubber. Strip tubing hanger out of hole. Re-install stripping rubber.

8. PU and TIH tubing until tag fill. Tubing currently landed at 6214' Tally out of hole, calculate depth of tag and/or hole, and check tubing for wear or scale. **Note: Tubing is from 1986 and may need replacement.**

9. POOH with completion and lay down if necessary.

10. TIH with 7" scraper. Check the distance between the top of the blind rams and the length of the bottom hole assembly that is being run. If the BHA is too long then the well has to be top killed and monitored prior to opening bind rams. RIH and scrape pipe to PBTD (~6395'). POOH. Lay down bit and scraper.

11. Pick up cast iron bridge plug and TIH. Set cast iron bridge plug at +/- 6200'. Pressure test bridge plug to ensure it is holding. Fill casing w/ 2% KCl. POOH.

12. RU E-line unit and equipment. Test lubricator and equipment.

13. **Log well w/ CBL and RST log from 6200' to 3000' (DV tool).** Contact engineer after determining TOC in 7" liner to discuss perforation placement or need for remedial cement squeeze if cement coverage is inadequate for the pay-add or if integrity of casing appears sub-par. Transmit log data to Matt Mientka at matt.mientka@bp.com and Mark Durio at mark.durio@bp.com and please call to confirm at 281-366-5721.
14. RIH with 3-1/8" High Shot Density casing gun loaded with HEG charges at 1 SPF 120 Degree Phasing and perforate Gallup formation.

Perforated intervals will be:
Gallup formation: 5332' – 6213' (881' gross)
Perf Based on RST results
NOTE: Verify final perf intervals with engineer/geologist.

15. POOH with perforating guns.

16. Hold Risk Assessment (JHA) meeting prior to initiating pumping services.

17. RU 10,000 psi frac isolation equipment (Stinger Isolation Tool).

18. RU frac equipment. NOTE: Frac tanks should be filled with fresh water, the KCl will be added on the fly.

19. Pressure test iron to Stinger frac valve at 5000 psi for 10 minutes. Function test treating line check valve during the prime and pressure test operation.

20. The frac is expected to pump at approximately 3000 psi. Maximum allowable treating pressure will be 3200 psi.

21. Set stagger pump trips to 3200-3400 psi. Function test pump trips individually.

22. Install and monitor production casing and treating pressure during entire job in frac van via pressure transducers on production casing and treating line. Be sure to monitor the casing annulus pressure throughout the duration of stimulation treatment.

23. Flowback frac immediately. Flow well through choke manifold on ¼", ½" and ¾" chokes slowly increasing drawdown until well dies or stabilizes. This is to aid in reducing sand flowback. Recommend 8 hours of flow for each choke size.

24. Rig up air package/unit, pressure test all lines (Testing procedure to be supplied from air company). Make sure air rates are high enough to move solids in 7" by 2 3/8" annulus.

25. TIH with 2-3/8" tubing with notched collar (muleshoe) and float check valve.

26. Clean fill to CIBP set at 6200'

27. POOH with tubing and float.

28. RIH with tubing and wireline retrievable pump through plug. Hang off tubing at 5300'. Retrieve plug.

29. Flow test the Gallup for 24 hrs for regulatory, allocation, and deliverability purposes.

30. POOH with tubing.

31. TIH w/ tubing and bit for 7" casing. Drill out CIBP set at 6200'. Cleanout to PBTD at 6395'. Blow well dry.

32. TIH tubing with BHA for bottom hold-down rod pump to 6360'.

TIH Pump & Put well back on production

33. PU and TIH pump, rods, polish rod. Set pump a few feet off of EOT. (~6360) MU stuffing box and hang off rods.

34. Load tubing with 2% KCl water. Test stroke pump to 500 psi. Check all casing string for pressure. The operations of removal of BOP's and installation of wellhead will be performed under a dispensation for one (1) barrier on the backside.

35. ND BOP's. NU Wellhead.

36. Schedule Service Company to install horses head, hang on polish rod and space out pump.

37. Follow lock out/tag out procedures to power up, pressure up, purge and return to service all surface equipment. Start pump jack, run to check for proper tag of pump.

38. Return well to production.

32. Test well for air. Hook up well to surface facilities and return well to production and downhole commingle Gallup and Dakota.

WELL NAME:	GCU 265E		
LOCATION:	1650' FSL	1800' FWL	
SEC/TWN/RNG	25	T28N	R12W
COUNTY, ST:	San Juan Co., NM		
WELL TYPE:	Gas		
BP WI:	52.5%	NRI:	45.1%

BCPD	BWPD	MCFD
DK IP		1,771

SPUD DATE:	01/13/86
RIG REL:	02/08/86
COMP DATE:	04/09/86
FORMATION:	Dakota
API#:	3004526706

SURFACE CASING DESIGN

9 5/8"		
349'	J-55	36#/ft

SET @	349'
1st Stg CEMENT	271 cu Ft class 'B' portland
TAIL IN W/	
TOC	Surface
DETER. BY	Circulated

PRODUCTION CASING DESIGN

7"		
	K-55	23#
	K-55	26#

SET @	6452'
1st Stg CEMENT	260 cu Ft Class B Portland
TAIL IN W/	322 cu Ft class B Portland
2nd Stg CEMENT	710 cu Ft Class B Portland
TAIL IN W/	
DETER. BY	

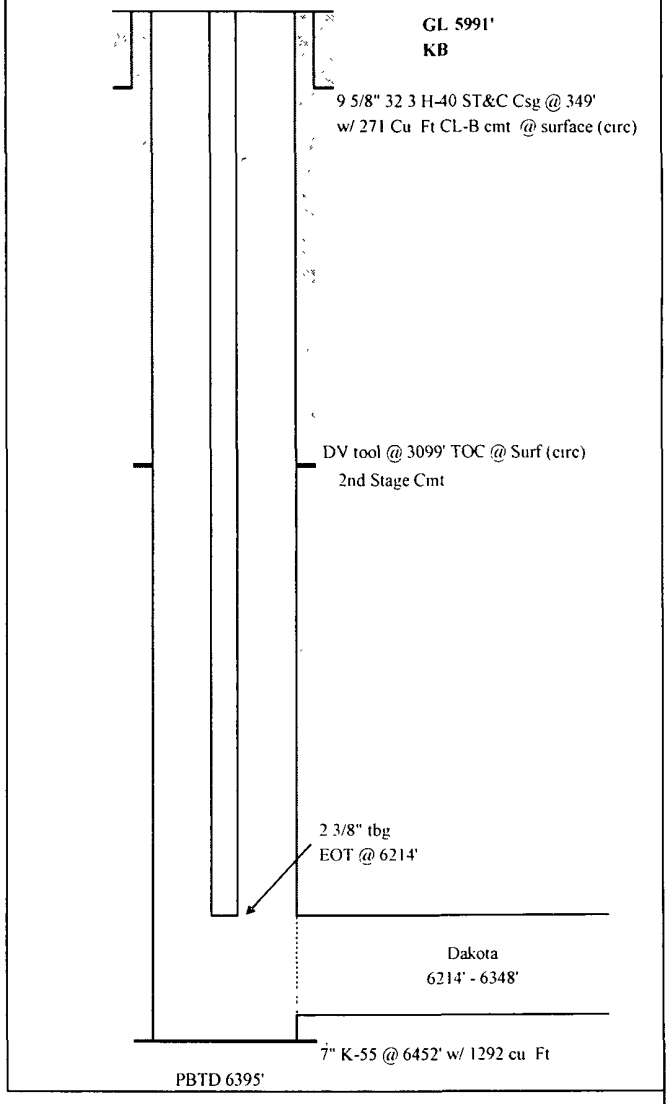
	PERF. DATA:	SPF	FORM.
1	6214' - 6228'	2	DK
1	6238' - 6248'	2	DK
1	6284' - 6326'	2	DK
1	6336' - 6348'	2	DK

TUBING DATA

2 3/8"	J-55	4 7 #/ft

SET @	6214'
PACKER	
S.N ID / @	

GCU 265E



FRAC JOB: (1) - 110,000 gal 70Q Foam w/ 165,000# 20/40 brady sand

NOTES: Tubing relanded (maybe changed) in 1998

Prepared By : Matt Mientka

Date : 22-Jul-08