Submit 3 Copies To Appropriate District Office	State of New M Energy, Minerals and Nat		Form C-103 June 19, 2008		
<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240	Energy, witherars and wat		WELL API NO. 30-045-24737		
District II 1301 W. Grand Ave , Artesia, NM 88210 District III 1000 Rio Brazos Rd , Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	OIL CONSERVATION 1220 South St. Fra Santa Fe, NM 8	ncis Dr.	<ul> <li>5. Indicate Type of Lease     STATE</li></ul>		
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			7. Lease Name or Unit Agreement Name  Gallegos Canyon Unit		
PROPOSALS.)  1. Type of Well: Oil Well  Gas Well  Other			8. Well Number 197E		
2. Name of Operator			9. OGRID Number 778		
BP America Production Company		•			
3. Address of Operator			10. Pool name or Wildcat		
P.O. Box 3092 Houston, Tx 77253-3092			Basin Dakota		
4. Well Location					
Unit Letter <u>G</u> : <u>1</u>	550 feet from the North	line and <u>1710</u> _	feet from the <u>East</u> line		
Section 36	Township 29N	Range 12W	NMPM San Juan County		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5428' GR					
12. Check Ap	opropriate Box to Indicate I	Nature of Notice, l	Report or Other Data		

NOTICE OF INTENTION TO:			SUBSEQUENT REPORT OF:		
PERFORM REMEDIAL WORK	PLUG AND ABANDON		REMEDIAL WORK	ALTERING CASING	
TEMPORARILY ABANDON	CHANGE PLANS		COMMENCE DRILLING OPNS.	P AND A RCVD SEP 8 '09	
PULL OR ALTER CASING	MULTIPLE COMPL		CASING/CEMENT JOB		
DOWNHOLE COMMINGLE				OIL CONS. DIV.	
				DIST. 3	
OTHER:			OTHER: Un-planned Cement & Bl	l issue 🗵	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

**08/17/09** Verbal approval from K. Roberts (NMOCD) to cement & report back after drilling out cmt & pres test. RU Schlumberger; Run CBL 5700' – surface. Good Cmt 5700' – 1528'. RD WL. RU Schlumberger for cmt job. Est. circulation; spot 17 sxs Cls G cmt @15.6#; 3365' – 3165'. Pull 6 stands slowly; reverse w/15 bbls wtr. Pull tbg; pmp on csg to pressure up to 500#; pmp 1.5 bbls; no pressure; SI. RD Pmp Service.

**08/18/09** Pressure up well to 500# -- good test, csg = 0#, tbg = n/a, bh = 18# - open & blow down in 30 seconds, then slight blow, in 1 minute some fluid starts to come out -- got sample for Baker Petrolite to test, SI - in 1 minute psi up to 15#, pull out of hole with tbg. TIH to 3150'+/-, found soft cmt; pull 10 stands. RU & reverse circ tbg; make sure clean,.

**08/19/09** csg = 0# tbg = 0#, bh = 18#, open & blow down in 1 minute. Slight blow on BH after 3 min. some fluid coming out, then flowing, got back about 1 gallon per minute with 1 5 gallon bucket. SI. Ching out csg valves. Tst flange seal to 500# -- good test. TIH; tag hard cmt, drill out cmt plug. Circ well, -- pressure tst well to 500#, had slight drop off (75# in 10 minutes), problems with leaks at surface -- will check again after csg scraper run,

Took copy of CBL to NMOCD - gave to Charlie Perrin, fluid sample from bh was given to Baker Petrolite to check out.

**08/20/09** TIH w/bit. Wk Csg scraper across sqz'd area. Made 2 pressure test on sqz area; both tests to 550#; each time press drop of 100# in 5 min. **Mix & Pmp 40 sxs; cls G cmt 3427' – 3107'**; Density 15.80; Yield 1.150 cuft/sk. Pressure DN to 425#; Bump up to 650#. 15 min. PSI DN to 575#; @ 16:00 psi @ 510#. RD Schlumberger. Secure Well.

08/24/09 CSG 100#; Tbg 100#; BH 20#; Rels Pres from CSG & Tbg. Blw DN BH. TOH. RU Blue Jet Logging & run Noise Log 2000' – surface w/BH closed. 2<sup>nd</sup> Run w/BH open results showed a gas intro @1050' – 1100'. & fluid entry @450'. RD wireline. TIH; tag & drill out cmt. Brought copies to NMOCD & gave to C, Perrin who had the CBL. Circ clean; Pres Tst to 600#; lost 15# in 15 min.

**08/25/09** CSG & Tbg 0#; BH 20#. PU power swivel, drill on cmt; broke through. Set back Power Swivel; continue TIH; picking up Tbg; no more Cmt plug. Csg Scraper; Wk across Sqz area; Press up to 555#; Close in; isolate WH/Csg; held 15 min. No drop in pressure. RIse Press; TOH;. **14:30 Called K. Roberts @ NMOCD** to be sure of perforating depth for BH Sqz. He was waiting on call from BP Houston to discuss perf depth.

**08/27/09** RU Wireline; TIH; correlate depth; **TIH** w/3.125" gun & Shoot 4 SPF @1121' as per BP Houston / NMOCD. Witness by NMOCD (Monica Keuhling) Use Rig Pmp to get circ out sqz holes & up - out BH, about 2.5 BPM @ 400#, RD WL, TIH; SET 4 ½" PKR @811'. RU Schlumberger CMT'rs, BH Pressure -- NOW 250#, BLW DN Slowly in 8 min. PMP DN TBG w/green dye - through PKR - out perfs - up annulas to BH, After 7 BBLS got fluid, After 12 BBLS got surges, 19 BBLS - No fluid returns 25 BBLS Circ Back, 35 BBLS - SURGING, PMP'D TOTAL 70 BBLS - very small returns - then none - 400# on TBG. Found 2" lines plugged from well w/trash - small chunks CMT / formation, clean lines; switched to 3" flow line & to flw back tnk, (trash made the turn coming out of bh but kept clogging lines), PMP'd again DN TBG, Could hear chunks of trash hitting flow line -- then seemed to clean up, couldn't get more wtr trucks until 16:00+ this afternoon, made decision use remaining wtr & clean up annulas, (pumped 180+ bbls total) believe well is clean. SI; secure well.

08/28/09 NMOCD Rep Monica Keuhling on location. BH on slight vac. Rig to 3" LINE; Establish Circ, Pmp 10 BBLS --got clean fluid - switched to city wtr to clean tub. MIX & PMP 385 SKS "G" NEAT CMT (73 BBLS), 1124' – surface; Density 15.80 ppg; Yield 1.150 cuft/sk started off @2 BPM & 250#, returns would be intermitent with dirty wtr (some with green dye), got lots of fine sand / some fine coal in returns. Would gain & lose returns through out job, after 60 BBLS PMP'd PSI went up to 850# & little if any returns, Cut CMT – Went to pmp cmt tub DN -- then almost full returns, Rig back to CMT & mixed remaining 13 bbls @1.2 BPM & 550#, Washed up before starting displacment, displace 6 bbls @ 1.5 bpm & 250#, then shut down, (8 bbls total to sqz holes) PSI DN to 165#, Wait 30 MINS (1) PMP'd 1/4 BBL -- PSI went from 165# up to 215#, Shut DN for another 30 minutes, PSI DN to 160# -- (2) PMP'd 1/4 BBL -- PSI UP TO 240#, Shut DN for another 30 minutes, PSI DN to 160#, (3) PMP'd 1/4 BBL - PSI up to 260#, Wait 30 MINS, PSI DN to 180#, (4) PMP'd 1/4 BBL PSI up to 370# 1 BBL CMT Left abov Sqz holes, SI. RD Schlumberger.

**08/31/09** pressures csg = 0#, tbg = 0#, BH = 25#, open BH -- bld off fast (30 seconds)-- same amount of wtr as before **TOH w/ pkr / tbg.** TIH with tbg / bit, **tag cmt @ 967'**, RU power swivel, Drill out cmt stringers down to 1060' then solid cmt, hard cmt, circ hole clean, set back power swivel, TOH. TIH w/Csg Scraper, work across cemented area. **Run cmt bond log 1520' to surface, CBL showed top of cmt @ 620'+/-, take copy over to NMOCD in morning. E-mail copy to <b>Nona Morgan in Houston**. Open BOP's, get air out of the csg, use rig pmp - **pressure tst csg / sqz holes to 600#**, isolate wellhead, pressure leaked off 110# in 5 minutes - secure well / location for night

**09/01/09** check well pressures, csg = 0#, tbg = n/a, bh = 25#, open BH; blow down; no psi in 45 seconds. TIH w/2 3/8" tbg to 1162' ( **squeeze holes at 1121'** ). **Briing copy of latest CBL & consultant with Charlie Perrin , Kelly Roberts**, & where to shoot to seal off BH \*\* --- RU Schlumberger pumping service.

**09/02/09** check well pressures, csg = 0#, tbg = n/a, bh = 25#, waiting on orders from Houston, at 10:15 did roll the hole w/wtr (tbg is open ended @ 1162'), close in wellhead, use rig pmp & pressure up to 50# on csg to check hole at 1121', close in and isolate wellhead, in 5 minutes lost 4#, in 20 minutes lost 18#, continue to wait on orders.

09/03/09 \*\*decision made to shoot @ 565'.

NOTE: Per NMOCD request - BP engineer writing procedure and will send with C-103 sundry to Aztec office ASAP

Spud Date:	12/26/1981	Rig Release Date:	N/A			
I hereby certif	fy that the information above	e is true and complete to the best of r	my knowledge and bel	ief.		
SIGNATURE	Cherry Hlava	TITLE_Regulatory Analyst	DATE	09/03/2009		
Type or print i	name <u>Cherry Hlava</u> e Only	E-mail address:	: Hlavacl@bp.com	PHONE: <u>28</u>	+	
APPROVED I	BY: Telz G. Eo	TITLE Deputy Oi	il & Gas Inspect	or, <sub>DATE</sub>	SEP 0 8 2	.'009 ——