

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.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. KERNAGHAN B 1
2. Name of Operator BP AMERICA PRODUCTION CO	9. API Well No. 30-045-10042-00-S1
3a. Address HOUSTON, TX 77253	10. Field and Pool, or Exploratory BLANCO MESAVERDE
3b. Phone No. (include area code) Ph: 405-228-8209 281-366-4081	11. County or Parish, and State SAN JUAN COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T31N R8W SESW 0990FSL 1650FWL 36.84981 N Lat, 107.68320 W Lon	

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 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 checked="" 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 respectfully requests permission to plug and abandon the above mentioned well.

Please see the attached procedure.

**H₂S POTENTIAL EXIST**RCVD SEP 18 '09
OIL CONS. DIV.
DIST. 3**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #74372 verified by the BLM Well Information System For BP AMERICA PRODUCTION CO, sent to the Farmington Committed to AFMSS for processing by STEVE MASON on 09/17/2009 (09SXM0177SE)	
Name (Printed/Typed) BP AMERICA PRODUCTION CO CHERRY H LAVA	Title
Signature (Electronic Submission)	Date 09/16/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>STEPHEN MASON</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>09/17/2009</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 ******NMOCD**

9/22



**BP - SJ Basin Proposed P&A Procedure
30-045-10042**

Well Name: Kernaghan LS 1 (Kernaghan B 1)
Date: September 15, 2009
Location: Sec 33 T31N R8W
API: 30-045-10042
Engineer: Matt Mientka
Location: Unit M Sec 33-T31N-R8W
Engineer: Matt Mientka
H2S: YES **CO2:** .536

Gas BTU content for this well is 1101, Sp gr. is 0.6317 (9/10/2008). Venting and Flaring document needs to be followed with the assumption that BTU content is above 950.

Objective: Plug and Abandon MV well due to poor economics and future compliance risk.

1. Pull out of hole and lay down with pump and rods.
2. Pull out of hole and lay down 2 3/8" production string.
3. Set CIBP above MV perfs
4. Log 4 1/2" with CBL, locate Top of Cement.
5. Perforate and squeeze cement behind 4 1/2" casing across gas and fresh water zones.
6. Balance cement plugs across gas and fresh water zones inside 4 1/2" casing.
7. Cement surface of 4 1/2" casing.
8. Remove wellhead and reclaim location.

Well History: The Kernaghan B1 was drilled in 1953 and completed open hole in the lower portion of the Mesa Verde with 7" casing run to 4970'. In 1965, the well was recompleted and drilled to 5600'. 4 1/2" casing was run all the way across the Mesa Verde and the well was perforated and hydraulically fractured. During the cleanout after the frac, a drill bit and ~37' of tubing was lost in the well. In 2002, the well was re-entered for a recompletion in the Menefee/Cliffhouse. Also, bad 4 1/2" casing was found during the work. The casing was cut at 4173' and new 4 1/2" was run and cemented in two stages. A CIBP was also placed above the 1965 bit/tubing fish. In 2003, the well had a pumping unit installed for artificial lift. The pumping unit was unsuccessful because of scale and fill from the Mesa Verde formation. The well cannot economically be repaired or produced at this time and will become a compliance risk in the future. It is recommended that the well be plugged and abandoned.

4173' w/165' JKS
1100' w/125' JKS

Procedure

1. Contact BLM and NMOCD 24 hrs before beginning P&A process to ensure scheduling of personnel to witness casing pressure testing, CBL results and cement placement.
2. MIRU workover rig.
3. Kill well, blow down, and POOH with rods and pump.
4. Nipple down wellhead and nipple up BOP. Pressure test BOPs.

5. POOH with 2 3/8" production string.
6. Pick up and RIH casing scraper for 4 1/2" casing. Run scraper to ~4770'. POOH
7. Pick up plug and setting tool and RIH to set CIBP @ +/- 4770'.
8. Run CBL from CIBP to surface. Find TOC behind 4 1/2" and contact engineer to discuss any remedial cement squeeze work or any problems locating TOC.
9. RIH with 2-3/8" open-ended workstring to ~4770'. Pump and displace ~9 cu. ft of G-Class cement from 4770' to 4680'. This will isolate the Mesa Verde formation with a 50' plug + ~50' excess and a mechanical barrier. WOC.
 → Plug cement 4026 ~ 3926'
10. RIH with 2-3/8" open ended work string. Pump necessary G-class cement to fill casing from 3301' – 2850' (plus ~50' excess). This will isolate the Fruitland and Pictured Cliffs Formation with a 451' plug + ~50' excess. WOC
11. RIH with 2-3/8" open-ended work string to 1800'. Pump and displace necessary G-Class cement from 2300' to 2050' (plus ~50' excess). This will isolate the Ojo Alamo and Kirtland formation with a 250' plug and ~50' excess. WOC
12. RU wireline w/ Deep firing perforating gun and RIH to 220' and perforate. Attempt to circulate down casing and out 7 1/2" X 9 5/8" annulus. When annulus is cemented to surface, close valve and open intermediate casing (4 1/2" x 7") annulus and cement to surface. Pump cement necessary to cement 4 1/2" casing to surface. Use 1" lines to fill casing and annuli to surface if necessary.
13. Cut off extra 4 1/2" casing, top off with cement. Remove wellhead and Place P&A marker. Reclaim location.

2230' ~ 1948'
 inside & it not
 cement outside the 4 1/2"
 casing

Noncemented plug
 755' ~ 655'
 inside 4 1/2" &
 outside 7" casing.

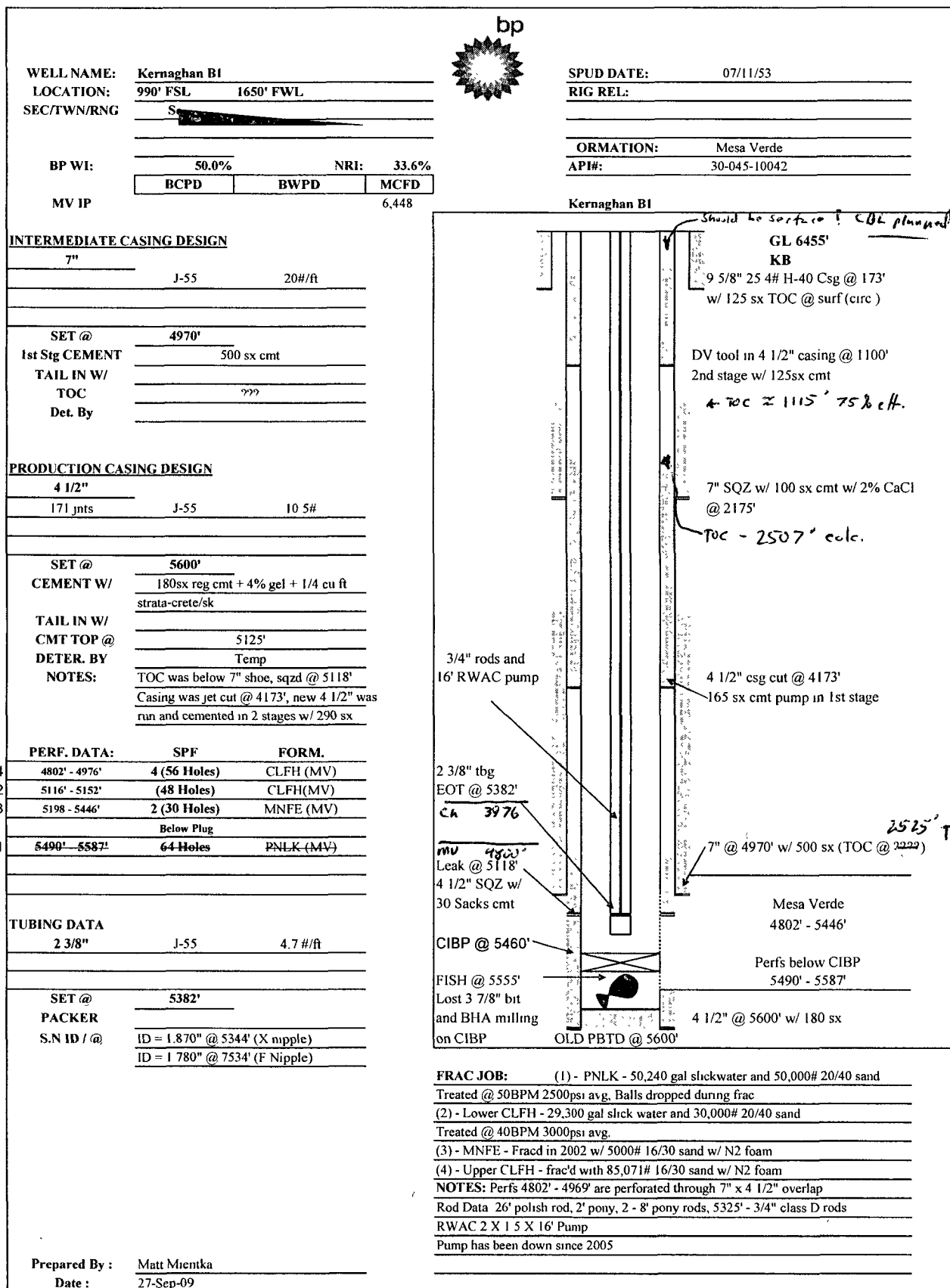


Figure 1: Current Well Schematic for the Kernaghan B1

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 1 Kernaghan LS

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Place a cement plug from 4026' – 3926' to cover the Chacra top.
 - b) Place the Kirtland/Ojo Alamo plug from 2230' – 1948' inside and if no cement is present in the annulus, outside the 4 ½" casing.
 - c) Place a cement plug from 755' – 655' to cover the Nacimiento top inside and outside the 7" casing.
 - d) Due to high concentrations of H₂S it is imperative that H₂S monitoring equipment and personnel be on location during plugging operations.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.