Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
NMNM012201

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.
BLANCO LS 12

2. Name of Operator
BP AMERICA PRODUCTION CO.
Contact: CHERRY HLAVA
E-Mail: hlavacl@bp.com

9. API Well No.
30-045-07049-00-C1

3a. Address
200 ENERGY COURT
FARMINGTON, NM 87401

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

10. Field and Pool, or Exploratory
BLANCO MESAVERDE
OTERO CHACRA

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 36 T28N R8W NENE 0790FNL 0990FEL
36.62295 N Lat, 107.62634 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			
☒ 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
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☒ Plug Back	☐ 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.)

The MV & Chacra have been DHC since Feb 2004.

BP respectfully requests permission to abandon the open hole Mesa Verde portion of said well in order to reland tubing and better produce as a Chacra only well.

DHC permit 1289AZ is no longer necessary.

Please see attached procedure.

RCVD SEP 24 '10
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #93207 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 09/23/2010 (10SXM0330SE)

Name *(Printed/Typed)* CHERRY HLAVA — Title REGULATORY ANALYST

Signature (Electronic Submission) — Date 09/22/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON — Title PETROLEUM ENGINEER — Date 09/23/2010

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 Farmington

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

BP - San Juan Wellwork Procedure

BLANCO LS 012

General Information:

Formation:	CH / MV	**Job Objective:**	Plug off MV
Project #:		**Date:**	9/25/2010
Intervention Engineer:	Trevor M°Clymont	**p.** 281.366.1425	**c.** 701-770-6879
Base Management Engr:	Amy Adkison	**p.** 405.388.1289	
Production Team Leader	Naomi Valenzuela	**p.** 505.326.9221	
Area Optimizer:			

Well Information:

		Production Data:	
API Number:	30-045-07049-00	**Tubing Pressure:**	263 psig (130 flowing)
BP WI:		**Casing Pressure:**	264 psig (130 flowing)
Run #:	11	**Line Pressure:**	135 psig
Lease FLAC:		**Pre-rig Gas Rate:**	0 mcfd
Well FLAC:		**Anticipated Uplift:**	100 mcfd
Surface Location:	Unit A - Sec 36 - T28N - R08W	**Water Rate:**	
GPS Coordinates:	lat 36.623 long 107.62674	**CO2 (%):**	0.508 %
Meter #:		**H2S (PPM):**	None
Cost Center:		**Gas BTU:**	1174
Compressed (Y/N):	N	**Specific Gravity:**	0.6690
Restrictions:	None	**Artificial Lift Type:**	Plunger
Regulatory Agency:	BLM / NMOCD	**Area Classification:**	HCO

Budget and Work Order Information

Rig Budget:		**Total AFE Amount:**	
P&C Budget:		**Work Order #:**	
Swabbing Budget:			

Additional Information

In 2006, a wireline was unable to retrieve a stuck plunger. 'Heavy fluid" was found at 3310' and a sample recovered was 85% acid-insoluble formation sand. The tubing may be sanded in due to being landed in the open hole portion of the wellbore. Wireline was unable to reach the end of tubing due to heavy fluid

Well History:

Completed as openhole completion in May 1953
Mar 1963 - OH bridged, punched tbg
Jan 1986 - Cancelled planned MV sidetrack
Oct 2002: Cut tbg, unable to recover fish or CO fill
Dec 2003: Recompleted to CH perf'd, frac'd, C/O new tbg
Apr 2006: Well has stuck plunger

Safety and Operational Details:

ALL work shall comply with DWOP E&P Defined Operating Practice and any asset specific STP or SOP

- No permit issues or restrictions associate with this well
- No prior history of H2S levels

Standard Site Preparations

1. Perform pre-rig site inspection. Per Applicable documents, check for:
   1.

2. Gas Taps	7. Raptor nesting	12. Protection Barriers Needed
3. Other Wells	8. H2S	13. Critical Location
4. Other Operators	9. Wetlands	14. Anchors
5. Production Equipment,	10. Location of Pits	15. ID Wellhead

   Allow 48 hours for One Call if earth pit is required.

2. Identify wellhead for proper flange connections and BOP equipment.

3. Work with GCU through CoW and w/P&S to develop a plan to move or temporarily relocate equipment that prohibits well servicing/plugging objectives.

4. Notify landowners with gas taps on well.

5. Perform and second site visit after lines are marked to ensure all lines locations are clearly marked and that Planning & Scheduling has stripped equipment and set surface barricades as needed.

6. Properly lock out/tag out any remaining production equipment. Ensure all necessary production equipment is isolated (LOTO) including, but not limited to the meter run, automation, and separator, etc.

Initial Well Checks & Preparations:

7. Check gas H2S content and treat if the concentration is > or equal to 10 ppm/Treat for H2S, if necessary per H2S Wells NOTICE.

8. Check and record tubing, casing, and bradenhead pressures daily. Ensure production casing and bradenhead valves are double valved. Double valve all casing strings. Check lock down pins on hanger.

9. Make up 3" flowback line, if necessary and blow down well. Kill with 2% KCL water or fresh water, as necessary. Check all casing strings to ensure no pressure exist on any annulus.

Rig Up Procedures & Initial Tags& Mechanical Barriers Setting:

10. MIRU workover rig. Do a hand off with the Field Tech. Hold safety meeting and perform JSA. Complete necessary paperwork and risk assessment. Ensure all necessary production equipment is isolated (LOTO) including, but not limited to the meter run, automation, and separator, etc.

11. RU slickline unit w/ lubricator. Test lubricator (if required) to 500 psi.
    Verify that rig pit has sufficient volume of fluid prior to starting any fishing procedures.

12. RIH and locate plunger and/or remaining "fish" in the hole. Tag and record fish location. Retrieve plunger equipment. Broach tubing as necessary.

13. RIH and set mechanical barriers: plugs or "G-pack off" for 2-3/8" tubing and set above "fish" Install bpv or float in tubing hanger. POOH. RD slickline.

Completion Removal
****ALL work shall comply with DWOP E&P Defined Operating Practice****

14. Hold JHA and fill out permit for BOP critical lift. ND wellhead and install TIW valve with lifting pup joint in hanger.
    Note: Ensure that TIW valve w/ square key for opening and closing is on the Rig floor to stab into the tubing if the well "kicks".

15. Reference "No Dual Barrier in Annulus During All Well Servicing" dispensation. (Reference new DWOP guidelines) NU BOPs and diversion spool with mudcross - 3" outlets and 3" pipe to the blow tank.

    - Pressure test BOPs to 250 psi on the low end and on the high range at 1500 psi
    - Monitor flowing casing pressure with gauge (with casing flowing to blow tank, if available throughout workover.

16. Install stripping rubber. Pull tubing hanger up to rubber and shut pipe rams. Bleed pressure above rams. Pull stripping rubber and hanger up to floor. Remove hanger and replace stripping rubber

17. PU additional joints of tbg, TIH and tag fill. Determine amount of fill and contact engineer to determine if clean out is necessary.
    Verify that rig pit has sufficient volume of fluid prior to tallying out of hole with tubing.

18. Open rams and TOOH w/ 2-3/8 production tubing landed at 4045'. Use approved "Under Balance Well Control Tripping Procedure". Visually inspect tubing while POOH. Check tubing for wear or scale. LD tubing if replacement is needed (it is also acceptable to use the existing tubing as a workstring if appears to have good integrity based on normal inspection procedures- WSL's discretion)
    a. If pipe comes free, continue with steps 30
    b. if unable to POH, move to stuck pipe contingency section (steps 19-29)

Stuck Pipe Contingency

Follow the steps in this section if unable to free tubing

Estimate free point

19. Total string weight for 4045' 2-3/8 4.7 # production casing
    Total String Weight = 7434' x 4.7# = 19,011 lbs
    If the weight indicator is zeroed with the block, add the block weight to string weight

20. With the pipe stationary in the slips, mark a line to denote the pipes un-stretched position

21. Apply 10,000lbs of pull to pipe, mark this position

22. Estimate location of free point using the formula below
    Free Point Estimate = (Distance between pipe marks / 3.5) x 1000

Cut Tubing

23. RU E-Line unit w/ lubricator. Test to 500 psi

24. RU E-Line with free point tool RIH to estimated free point, set tool and test to locate location of free pipe
    a. If free point tool indicates free pipe movement, release tool and move down hole 100' and retest Record stretch data
    b. If free point toll indicates no movement, move up hole 100' and rested. Record stretch data
    Location of free pipe is determined by the deepest point where free point tool indicates full stretch

25. POH with free point tool

26. RIH with radial acid cutter and cut tubing at determined free point.

27. POH with acid cutter, ensure acid cutter fired

28. Open rams and TOOH w/ 2-3/8 production tubing. Use approved "Under Balance Well Control Tripping Procedure". Visually inspect tubing while POOH. Check tubing for wear or scale. LD tubing if replacement is needed.

29. Continue with step 31

30. Open rams and TOOH w/ 2-3/8 production tubing landed at 4045'. Use approved "Under Balance Well Control Tripping Procedure". Visually inspect tubing while POOH. Check tubing for wear or scale. LD tubing if replacement is needed (it is also acceptable to use the existing tubing as a workstring if appears to have good integrity based on normal inspection procedures- WSL's discretion)

31. TIH w/ bit & scraper for 7" casing and scrape across Chacra perforations (3345 - 3500'). Continue down and scrape to 3950' to ensure cement retainer will bite. TOH w/ bit & scraper.

32. MIRU slick line and set cement retainer for 7" casing close to open hole section (~3940').. RD slickline.

33. RIH with workstring, stab into retainer and pump 31.9 ft^3 (5.7bbls) of cement to isolate open hole section.

Capacity of 6-1/4" OH : 0.2131 ft^3/ft
100' Plug → 100' + 50'excess → **31.9ft^3**

34. PU and spot a 100' plug (5.9 bbls) on top of the cement retainer. This should place an acceptable barrier over the openhole section.

Capacity of 7" csg : 0.2210 ft^3/ft
100' Plug → 100' + 50'excess → **33.2ft^3**

35. POH, WOC

36. RIH and tag cement, record final ToC in Open Wells

TIH w/ Completion string:

37. MU BHA with 2-3/8" F nipple with blanking plug and X profile nipples. (see below) TIH tubing, tag cement, record final ToC in Open Wells. Land 2-3/8" tubing at 3490'. MU redressed tubing hanger and TIW valve on lifting pup. Land tubing.

Provide BHA as follows:
TUBING HANGER, 2.375 X 7.0625
TUBING, 2.375, 4.7#, J-55, EUE
NIPPLE, PROFILE, "X", 2.375 OD, 1.875 ID
TUBING SUB, 2.375 X 4 FT
NIPPLE, PROFILE, "F", 2.375 OD, 1.780 ID
MULE SHOE, 2.375"

38. Load tubing & test to 500 psi with 2% KCl water.

39. Hold JHA and fill out permit for BOP critical lift. ND and strip off diversion spool, stripper head and other under balanced well control equipment. ND and strip off BOP. Remove TIW valve and lifting sub. NU wellhead.

TIH w/ Plunger Equipment and put well back on production

40. RIH and swab tubing to attempt to flow well prior to setting stop.
    a. IF well "kicks" off, set stop at approx. 3480' +/- and run plunger equipment.
    b. If well does not "kick-off" continue swabbing to get well kicked off.
    If a lot of liquid is observed, discuss with engineer benefits of bringing well on with swab rig.

41. RU Slickline. Equalize and remove plug in X nipple. RD Slickline.

42. If Air package used for circulation, run O2 test prior to returning well to production

43. RDMO Service Unit.

44. Follow log out/tag out procedures to power up, pressure up, purge and return to service all surface equipment.

45. Return well to production.

46. Ensure all well work details and wellbore equipment is entered in 'OPEN WELLS'.

Current Wellbore Diagram

bp

Blanco LS #12

Sec 36, T28N, R8W

API # 30-045-07049

GL: 5906'

History:
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in May 1953
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sidetrack
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recover fish or CO fill
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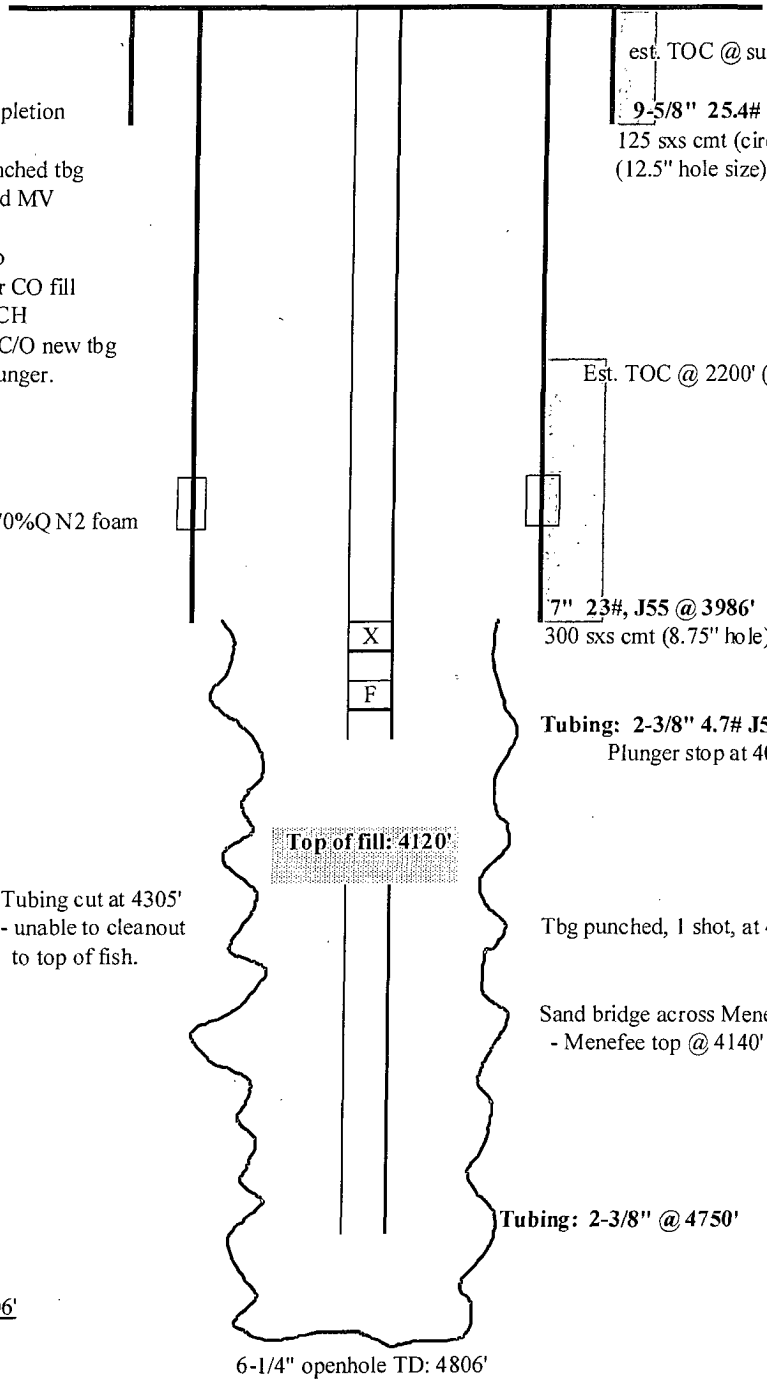
perf'd, frac'd, C/O new tbg
Apr 2006: Well has stuck plunger.

Chacra perforations
3345' - 3500'
252,148# 16/30 Brady snd, 70%Q N2 foam



Openhole Inteval: 3986' - 4806'
-shot with 1860 qts SNG

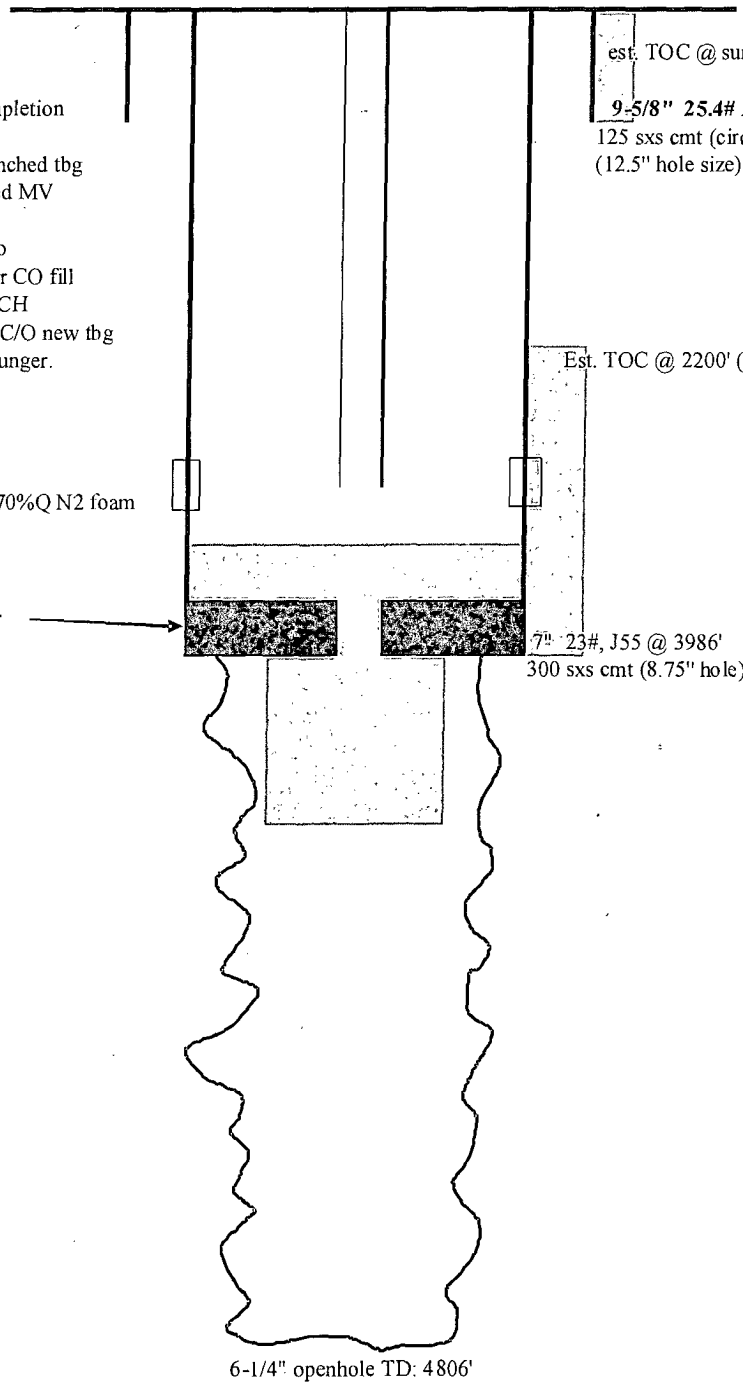
Proposed Wellbore Diagram

bp

Blanco LS #12

Sec 36, T28N, R8W
API # 30-045-07049

GL: 5906'



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3345' - 3500'
252,148# 16/30 Brady snd, 70%Q N2 foam

Downhole Equipment

Equipment listed bottom up

Component Type	Joints	Body OD (in)	Body ID (in)	Min ID (in)	Drift (in)	Top Set (ft)	Length (ft)	MD Base (ft)	Component Status	Component Detail
Muleshoe Sub	1	2.375	2.041	2.041	0.000	10.0	2.32	12.3	No status information	MULESHOE SUB 2.375 in,
Profile Nipple	1	2.375	1.780	1.780	0.000	12.3	0.93	13.3	No status information	PROFILE NIPPLE 2.375 in,
Tubing Pup Joint	1	2.375	1.995	1.995	0.000	13.3	4.45	17.7	No status information	TUBING PUP JOINT 2.375 in,
Profile Nipple	1	2.375	1.875	1.875	0.000	17.7	1.20	18.9	No status information	PROFILE NIPPLE 2.375 in,
Tubing Joint(s)	126	2.375	1.995	1.995	0.000	18.9	3,983.94	4,002.8	No status information	TUBING JOINT(S) 2.375 in, J-55, 4.7
Tubing Pup Joint	1	2.375	1.995	1.995	0.000	4,002.8	8.60	4,011.4	No status information	TUBING PUP JOINT 2.375 in,
Tubing Joint(s)	1	2.375	1.995	1.995	0.000	4,011.4	31.60	4,043.0	No status information	TUBING JOINT(S) 2.375 in, J-55, 4.7