

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		5. Lease Serial No. NMSF078109
2. Name of Operator BP AMERICA PRODUCTION CO		6. If Indian, Allottee or Tribe Name EASTERN NAVAJO
Contact: CHERRY HLAVA E-Mail: hlavacl@bp.com		7. If Unit or CA/Agreement, Name and/or No. NMNM78391A
3a. Address 200 ENERGY COURT FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 281.366.4081	8. Well Name and No. GALLEGOS CANYON UNIT 322
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T29N R12W SENE 1790FNL 1165FEL 36.68523 N Lat, 108.13440 W Lon		9. API Well No. 30-045-24626-00-S1
		10. Field and Pool, or Exploratory WEST KUTZ PICTURED CLIFFS
		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			
<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 recompleat 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 recompleat 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 finds no further uphole potential for the above mentioned well. BP respectfully requests permission to P&A the entire wellbore.

Please see the attached plugging procedure.

RCVD NOV 2 '10

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #95959 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 10/28/2010 (11SXM0836SE)	
Name (Printed/Typed) CHERRY HLAVA	Title AGENT
Signature (Electronic Submission)	Date 10/28/2010

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON	Title PETROLEUM ENGINEER	Date 10/28/2010
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 \*\*

NMOC

## SJ Basin Well Work Procedure

Well Name: GCU 322                      API#: 30-045-24626  
Date: October 26, 2010  
Repair Type: P&A  
Location: Unit H-T29N-R12W-Sec31  
County: San Juan  
State: New Mexico  
Engr: David Wages                      Ph: 281-366-7929    Cell: 406-231-4679  
BM Engr: Nona Morgan                      Ph: 281-366-6207  
Prod. TL: Kenny Anderson                      Ph: 505-326-9495

### Well Information:

API Number: 30-045-24626  
BP WI: \_\_\_\_\_  
Run #: \_\_\_\_\_  
                    Unit L-Sec 31-T28N-  
Surface Location: R12W  
Meter Number: 93804  
Well FLAC: \_\_\_\_\_  
Cost Center: \_\_\_\_\_  
Lease FLAC: \_\_\_\_\_  
Restrictions: Sept Compliance  
Regulatory Agency: BLM & NMOCD  
Compressed (Y/N): N

### Production Data:

Tubing Pressure: 0 psi  
Casing Pressure: 3 psi  
Line Pressure: 0 psi  
Pre-rig Gas Rate: 0 MCFD  
Anticipated Uplift: N/A  
Water Rate: 0  
CO2 (%): 0.91  
H2S (PPM): 0  
Gas BTU: 1025  
Artificial Lift Type: Beampump

### Budget and Work Order Information

Rig Budget: \_\_\_\_\_                      Total AFE Amount: \_\_\_\_\_  
P&C Budget: \_\_\_\_\_                      AFE #: \_\_\_\_\_  
\_\_\_\_\_

Prepared By: \_\_\_\_\_

Reviewed By: \_\_\_\_\_

Approved By: \_\_\_\_\_

### Policy Reminder

Any changes to the written procedure requires an MOC  
MOC (except BoD/SOR) approvals during execution have been  
delegated to the OTL

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**Objective: P&A for wellbore.**

1. Ensure wellbore is clear of obstructions.
2. Pump cement plugs and remove wellhead.

**Well History:**

Spud date 2/16/1981

Well Servicing 7/1996 - Replace holey tubing

Well Servicing 1/1998 - Hole in 45th jt. Replaced 2 jts of tbg

Well Servicing 5/1999 - Replace entire string of tubing

Well Servicing 8/2001 - C/O & replace holey tubing

Well Servicing 9/2003 - Replace rod cut tubing. Replace 58 rods

Well Servicing 7/2004 - Replace 3 jts of tubing

Workover 5/2006 - C/O fill & replace rod cut tubing

Well Servicing 1/2008 - Replaced holey tubing, ran guided rods

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**Note:** Will use Class G neat cement or Type III cement to P&A this well.

**Completion Information**

End of Tubing:	<u>1495'</u>	Tubing Size	<u>2-3/8"</u>
Liner Size and Top:	<u></u>	Casing size	<u>4-1/2"</u>
PBTD:	<u>1605'</u>		

**P&A Procedure:****Standard Site Preparations**

1. Perform pre-rig site inspection. Per Applicable documents, check for:
  - Size of location,
  - Gas taps,
  - Other wells,
  - Other operators,
  - Production equipment,
  - Wetlands,
  - Wash (dike requirements),
  - H<sub>2</sub>S,
  - Barriers needed to protect equipment,
  - Landowner issues,
  - Location of pits (buried or lines in pits),
  - Raptor nesting,
  - Critical location,
  - Check anchors,
  - ID wellhead, etc.
  - Allow 48 hours for One Call if earth pit is required.
2. Identify wellhead for proper flange connections and BOP equipment.

3. Work with San Juan through CoW and w/P&S to develop a plan to move or temporarily relocate equipment that prohibits well servicing/plugging objectives.
4. Notify land owners with gas taps on well.
5. Perform 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. Ensure all necessary production equipment is isolated (LOTO) including, but not limited to the meter run, automation, and separator, etc.
7. Have wellhead ID'd by wellhead company. Wellhead company to work lock-down pins, wellhead bolts (one at a time), and use hand pump to pressure test hanger and secondary seals to wellhead working pressure if wellhead is so designed.

#### **Initial Well Checks & Preparations:**

8. Notify BLM and NMOCD 24 hours prior to beginning P&A operations to ensure scheduling of personell to witness CBL results and cement placement.
9. Check gas H2S content and treat if the concentration is > or equal to 10 ppm/Treat for H2S, if necessary per H2S Wells NOTICE.
10. Fill out hot work permit for spotting rig to wellhead. MIRU workover rig. Complete necessary paperwork and risk assessment.
11. Check and record tubing, casing and bradenhead pressures and record in OpenWells daily.
12. BLOWDOWN braden head (BH) pressure as required, especially if there is *evidence of communication between the production casing and bradenhead or the well has a history of bradenhead pressure problems.*
13. Record pressure and notify engineer if tubing pressure exceeds 50 psi or if there is any water or gas flow.
14. Ensure production casing and bradenhead valves are double valved. Follow guidelines as directed by DWOP.
15. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover.
16. Make up flowback line.

#### **Completion Removal**

17. Hang off polish rod on stuffing box and remove horses head.
18. Pump tubing capacity with fresh water or 100% magnesium chloride to load tubing. Test stroke pump to 500 psi if tubing will load. **Note:** If tubing will not load or goes on vacuum after loading, then hole in tubing or pump shoe problem is indicated.
19. Install run-in Radigan and rod table.
20. Unseat pump and TOOH Rods/Pump. Inspect rods and pump for scale or wear. \*Watch lower rods (near EOT) closely for signs of wear on rods (and guides). Consult with Engineer before changing rods out. LD rods as necessary.
21. RU SL using Slickline NOP for San Juan.
22. Pressure test lubricator to 250 psi low side and 1000 psi high side, each for 5 minutes. Record in Open Wells.
23. RIH and set plug in "F" nipple @ ~1490
24. Release pressure on tubing to test plug.
25. Kill casing strings if necessary.
26. RD slickline.
27. Hold JHA and fill out permit for critical lift of raising derrick and scoping up top section. Rig up unit.
28. Hold JHA and fill out permit for nipling down wellhead tree and nipling up BOP critical lift. ND wellhead and install 2-way check valve and adapter in top of hanger.
29. NU BOPs and diversion spool with outlets and flowback lines to the blow down tank tank. Inspect flowcross for significant wear or erosion prior to NU.
30. Rig up floor, tongs, and slips.
31. Pressure test BOPs to 250 psi on the low end for 15 min and on the high range at 1500 psi for 15 minutes.

32. Install stripping rubber, unscrew lock-down pins on tubing head, open pipe rams, and pull hanger to bottom of stripper rubber. Close pipe rams, bleed off pressure between stripper rubber and pipe rams, then release stripper rubber from stripper head and pull hanger to rig floor. Unscrew and lay down tubing sub.
33. RU wellhead lubricator.
34. Pull two way check. Open bleed-off valve on lubricator and bleed down any pressure that may be present. RD lubricator. Install stripper rubber.
35. RU SL and pressure test lubricator to 250 psi low side and 1000 psi high side, each for 5 minutes. Record in OpenWells.
36. RIH and pull stops and plugs.
37. RD SL.
38. Kill well. Pump water as necessary to keep well dead.
39. Trip out of the hole with old tubing. It is acceptable to use old tubing as workstring. Check tubing while POOH for wear.
40. If unable to pull tubing then discuss options with WIE.
41. Makeup the following BHA:
  - Bit for 4 1/2" casing
  - Scraper for 4 1/2" casing
  - String float.
  - Workstring
42. RIH with BHA to top of MV perforations.
43. RU e-line. Run gauge ring for 4-1/2" casing (ID=4.052") down to top of perms to ensure wellbore is clear and CIBP will set. RIH w/ CIBP and set +/-50' above perforations +/- 1388'.
44. Load well with fluid and pressure test casing to 500 psig. This will confirm the integrity of the casing and CIBP.
45. Run CBL to determine cement top behind 4-1/2". Based on cement top it will be determined where perforations and cement placement behind casing will be required to properly P&A well. Contact Engineer to discuss steps forward. Top of cement is estimated at surface based on well history. Report CBL results to regulatory agencies and engineer. **The order and detail of the next steps could change based on the CBL results but assumes cement does not cover the Ojo Alamo zone.**
46. RIH w/ workstring and spot 438' (~7 bbls, 40 cu ft) plug on top of CIBP (+/- 1388'). This should P&A the Fruitland coal and Pictured Cliffs formations from 950'-1388'. POOH.
47. Based on CBL results, RU wireline w/ perforated gun. RIH to +/- 308' and perforate 4-1/2" casing and POOH with guns. RD wireline. **316**
48. Pending CBL results, establish circulation up 4-1/2" annulus, pump 14.5 bbls (81 cu ft) down production casing. If CBL shows good cement to surface, pump 5 bbls cement inside 4-1/2" casing. Pump excess cement as necessary. This will put cement across the Ojo Alamo water producing interval and below the surface casing shoe.
49. Perform underground disturbance and hot work permits. Cut off tree.
50. If cement cannot be seen on all annulus and casing strings remedial cementing will be required from surface. Watch for cement fall back or seepage. All annulus and casings must be full of cement with no fall back prior to installing abandonment marker.
51. Install well marker and identification plate per BLM requirements.
52. RD and release all equipment.
53. Ensure all reports are loaded into DIMS. Print out summary of work and place in well file. Notify Sherri Bradshaw of completed P&A.

## Current Wellbore



### Gallegos Canyon Unit 322

Pictured Cliffs

API # 30-045-24626

T-29N, R-12-W, Sec. 31

San Juan County, New Mexico

G.L. 5543'  
K.B. 5545'

#### Well History

Spud date 2/16/1981

Well Servicing 7/1996 - Replace holey tubing

Well Servicing 1/1998 - Hole in 45th jt. Replaced 2 jts of tbq

Well Servicing 5/1999 - Replace entire string of tubing

Well Servicing 8/2001 - C/O & replace holey tubing

Well Servicing 9/2003 - Replace rod cut tubing. Replace 58 rods

Well Servicing 7/2004 - Replace 3 jts of tubing

Workover 5/2006 - C/O fill & replace rod cut tubing

Well Servicing 1/2008 - Replaced holey tubing, ran guided rods

#### Rod Details (1/2008)

ROD, POLISHED: 1.25

RODS, PONY: 0.75 GRD. D

RODS, PONY: 0.75 GRD. D

RODS, PONY: 0.75 GRD. D

RODS, PONY: 0.75 GRD. D

RODS: 0.75 X 2.5 GRD. D

RODS: 0.75 X 2.5 GRD. D, GUIDED

PUMP, RWAC, 2.0 X 1.5 X 1.0

#### Estimated Formation Tops

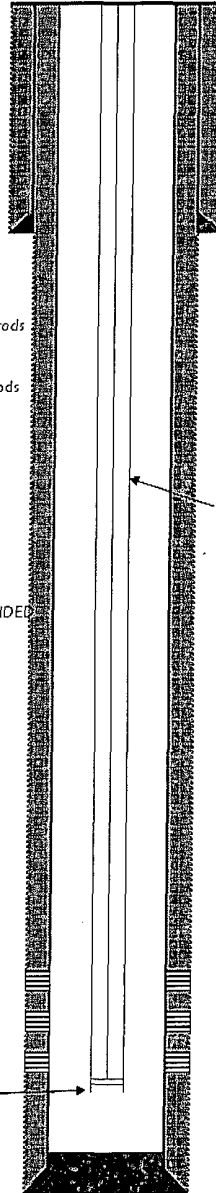
Kirtland 80'

Fruitland 1060'

Pictured Cliffs 1345'

Total Depth 1600'

End of Production String @ 1495'  
(01/2008)



9 7/8" Hole

7", 17.0#, R-3 @ 124'

Cmt w/ 50 sxs Class B w/ 2 3/4 C&Cl2 + 1/4# flocele/sk

Deviation Report	
Depth	Deviation
700'	2-1/2 deg

2 3/8", 4.7#, J-55 EUE

#### Tubing Details (1/2008)

TUBING HANGER, 2.375 X 7.0625

TUBING, 2.375, 4.7#, J-55 EUE

NIPPLE, PROFILE, "F", 2.375 OD, 1.780 ID

MULE SHOE, 2.375

#### Pictured Cliffs Perforations

1438' - 1441', 1 SPF } Frac w/ 25,000 gals 70Q

1445' - 1448', 1 SPF } 1/2 foam, 42,500# 10/20

1451' - 1455', 1 SPF } sand

6 1/4" Hole

4 1/2", 10.5#, K-55 @ 1643'

Cmt w/ 250 sxs, 50-50 Poz mix w/ 2 3/4 Gel

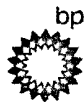
1/4# Flocele/sk + 0.63% CFR-2

PBTD: 1605'

TD: 1651'

(10/26/2010, DBW)

## Proposed P&A plug Set Program



Proposed PXA Cement plugs

**Gallegos Canyon Unit 322**  
 Pictured Cliffs  
 API # 30-045-24626  
 T-29N, R-12-W, Sec. 31  
 San Juan County, New Mexico

G.L. 5543'  
 K.B. 5545'

#### Well History

Spud date 2/16/1981  
 Well Servicing 7/1996 - Replace holey tubing  
 Well Servicing 1/1998 - Hole in 4th jt. Replaced 2 jts of tbq  
 Well Servicing 5/1999 - Replace entire string of tubing  
 Well Servicing 8/2001 - C/O & replace holey tubing  
 Well Servicing 9/2003 - Replace rod cut tubing. Replace 58 rods  
 Well Servicing 7/2004 - Replace 3 jts of tubing  
 Workover 5/2006 - C/O fill & replace rod cut tubing  
 Well Servicing 1/2008 - Replaced holey tubing, ran guided rods

#### Geologist's Estimated Tops

TD is at 1651' & FBTD is at 1605'  
 4 1/2" casing at 1643'

Plug #1: PCCF - FTLD Coal Perforated & Completed

Gas Bearing interval (1050 - 1600')

FTLD Coal 1116'  
 FTLD SS 1142'  
 CTWD 1346'  
 CAHN 1398'  
 PCCF SS 1427'  
 PCCF Perforations 1438 - 1455'  
 PCCF Base 1518'  
 LWS 1600'

Plug #2: Ojo Alamo Fresh-water Aquifer Sandstone (100 - 308')

OJAM 208'  
 KRLD 268'

#### Orig. Estimated Formation Tops

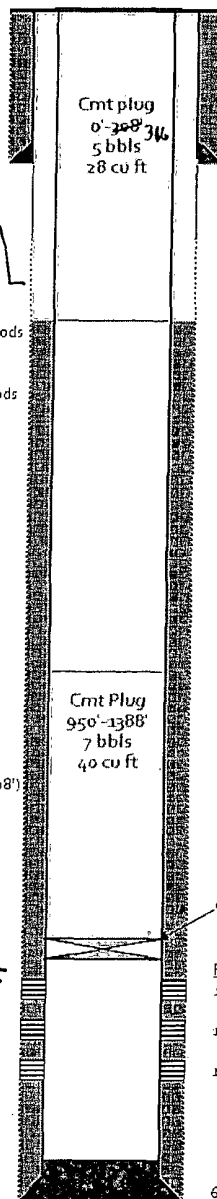
Kirtland 20' 266  
 Fruitland 1060' 1100  
 Pictured Cliffs 1245' 1426  
 Total Depth 1600'

04 126'

Kr 266'

Fr 1100

PC 1426'



9 7/8" Hole  
 7", 17.0#, R-3 @ 124'  
 Cmt w/ 50 sxs Class B w/ 2 3/4 CaCl2 + 1/4#  
 Flocele/sk

#### Outside Cmt plug vol

0'-308'  
 9.5 bbls  
 53 cu ft

Deviation Report	
Depth	Deviation
700'	2-1/2 deg

$$316/11.167 = 28 \text{ ft}^2$$

$$1388-1000/11.167 = 35 \text{ ft}^2$$

CIBP set @ 1388

#### Pictured Cliffs Perforations

1438' - 1441', 1 SPF } Frac w/ 25,000 gals 70Q  
 1445' - 1448', 1 SPF } 1/2 foam, 42,500# 10/20  
 1451' - 1455', 1 SPF } sand

6 1/4" Hole  
 4 1/2", 10.5#, K-55 @ 1643'  
 Cmt w/ 250 sxs, 50-50 Poz mix w/ 2 3/4 Gel  
 1/4# Flocele/sk + 0.6 3/4 CFR-2  
 Good Cmt to surface

**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: 322 Gallegos Canyon Unit

**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 the Kirtland/Ojo Alamo/Surface plug from 316' to surface.

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.