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.
NMNM016746

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM73187

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

8. Well Name and No.
SCHWERDTFEGER LS 2A

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

9. API Well No.
30-045-22425-00-S1

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

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 27 T31N R9W SWNW Tract SCHNIDER 1557FNL 1050FWL
36.872162 N Lat, 107.772476 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.)

BP

April 2011 Compliance Well

Bp is permitted in the above mentioned well to plug off the Mesaverde formation come up hole and add perfs in the Fruitland Coal. That work was never initiated.

After further consideration & evaluation given to the FC it was determined there is not economic reserves remaining.

BP respectfully requests permission to plug and abandon the entire well bore.

Please see attached P&A procedure

RECEIVED
APR 2011
OIL CONS. DIV. DIST. 3

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #106467 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 04/19/2011 (11SXM0478SE)

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

Signature (Electronic Submission) — Date 04/14/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON — Title PETROLEUM ENGINEER — Date 04/19/2011

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

Schwerdtfeger LS 2A

P&A Procedure

SJ Basin Well Work Procedure

General Information:

Formation:	MV	**Job Objective:**	Plug & Abandon
Project #:	X7-0053D	**Date:**	April 13, 2011
Engineer:	David Wages	**p.** 281.366.7929	**c.** 406.231.4679
Base Engineer:	Michael Morgan	**p.** 281.366.5721	
Production TL:	Kenny Anderson	**p.** 505.326.9495	
	Jim McKamie	**p.** 281.366.5401	
Add'l Engrs:	Trevor McClymont	**p.** 281.366.1425	

Well Information:

API Number:	**30-045-22425**
Meter #	89870
Run #:	43
Surface Location:	Unit E – Sec27 – T31N – R09W
GPS Coordinates:	lat 36.87211 long 107.77311
Well FLAC:	
Lease FLAC:	

Production Data:

Tubing Pressure:	90 psi
Casing Pressure:	90 psi
Line Pressure:	120 psi
Pre-rig Gas Rate:	0 MCFD
Anticipated Gas Rate:	0 MCFD
Water Rate:	0 bpd

Prepared By: Michael Morgan

Reviewed By:

Approved By:

Schwerdtfeger LS 2A

P&A Procedure

Objective: P&A for wellbore.

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

Well History:
Spud date 12/4/1983
Well Repair 1/24/1992 - Bradenhead repair
Well Repair 8/23/2006 - Repair casing leak

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

Standard Site Preparations:

1. Notify BLM and NMOCD 24 hours prior to beginning operations P&A process to ensure scheduling of personnel to witness CBL results and cement placement. (Note: This is a **BLM** regulated well)
   NMOCD: (505) 334-6178 (~~Kelly Roberts~~ Brandon Powell)
   BLM: (505) 599-8907 (Kevin Schneider)
2. Perform pre-rig site inspection. Per Applicable documents and/or checklists.

1. Size of Location	6. Wash (dikes requirements)	11. Landowner Issues
2. Gas Taps, (notify land owners)	7. Raptor nesting	12. Protection Barriers Needed
3. Other Wells	8. H_2S	13. Critical Location
4. Other Operators	9. Wetlands	14. Anchors
5. Production Equipment	10. Location of Pits	15. ID Wellhead for proper flange connection

3. Have wellhead service company check out wellhead to identify wellhead components, lock-down pins are fully engaged and functional, pressure test hanger seals to specified high and low pressures, check and lubricate casing valves, individually work each flange nut and stud, and replace any corroded bolts and or nuts in preparation for breaking containment.

   Note:

   - If any problems are encountered or any wellhead equipment does not function with ease or if any problems are encountered outside of normal operations then the equipment will be repaired when the rig is on location.

Slickline:

4. Utilizing Handover Communication with Operations determine if plunger and/or other downhole equipment is in the tubing that needs to be removed.
5. Confirm integrity of casing valves by performing a negative test.
6. If plunger equipment is in well then use Retrieve Plunger Contingency.

Set Barriers
MIRUSU

Schwerdtfeger LS 2A

P&A Procedure

7. MI Service Unit
8. RU rig.

ND WH

9. If the downhole barrier will not test then RU wellhead lubricator to the tree then test lubricator to specified low and high pressure.
10. Install two way check in back pressure threads in hanger. If unable to install two way check then use Kill Well Contingency.
11. Nipple down tree to tubing hanger.

NU BOP

12. NU San Juan South BOPE using attached BOP Diagram. Rams will be sized for the tubing in the well.
13. Function test and pressure test BOPs to specified high and low pressures. Perform accumulator test. Record in Open Wells.
14. Monitor flowing casing pressure with gauge (with casing flowing to flow back tank) throughout workover to comply with Underbalanced Tripping Practice, NOP 7812.

Completion Removal

15. Kill annulus as necessary by pumping 2% KCL equivalent water down production casing x tubing annulus.
16. If H-prep sub was installed then use the following Pull H-prep Sub Contingency.
17. Screw in lifting pup into hanger. Pull tubing hanger up to floor. If two way check was installed then use Pull Two Way Check Contingency.
18. Lower tubing and install stripping rubber.
19. Check to make sure well is dead. Kill well if necessary by pumping down the tubing x casing annulus.
20. Prepare to TOH with tubing.
21. POOH with 2-3/8" production tubing currently set at 5700'. Tally tubing while POOH, will use production string as workstring for P&A.

P&A Procedure:

Note: Capacity of wellbore is approximately 92 bbls to PBTD. Check all casing strings to ensure no pressure exists on any annulus.

22. RU e-line lubricator to stripper flange.
23. Pressure test lubricator to specified pressure testing values.
24. RIH w/ gauge ring for 4-1/2" casing (ID=4.052") down to top of perfs @ 4637' to ensure wellbore is clear and CIBP will set. POOH.
25. RIH w/ CIBP and set +/-50' above perforations +/- 4587'.
26. POOH w/ e-line
27. Load hole with fresh water.
28. Pressure test down tubing to 500 psi, this will confirm the integrity of the casing.
29. If pressure test unsuccessful, move packer position, notify WIE if problems persist.

Note: Ensure casing is loaded with water or CBL will not record.

30. Run CBL from CIBP to surface casing shoe 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 (1776'-1885').**
31. RD e-line.
32. RIH w/ 2-3/8" J-55, 4.7# workstring
33. Weight test CIBP to 15,000 lbs.
34. Spot **120'** (~2.1 bbls, 12 cu ft) cement plug on top of CIBP (+/- **4587'**). This should P&A the Mesa Verde formations from **4450'-4578'** as follows.:
35. POOH with workstring to **3125'**.

→ Plug the Chacra 3871-3771'

Schwerdtfeger LS 2A

P&A Procedure

36. Spot ~~759~~ 918' (**14.6** bbl, ~~82~~ 113 cu ft) cement plug from **2366'-~~3125~~ 3284'.** This should place cement across the Fruitland Coal, Pictured cliffs formations and the liner hanger.
37. POOH with workstring to **1950'**. 1766 1939
38. Spot ~~274~~ 423' (~~11.1~~ 20 bbl, ~~63~~ 113 cu ft inside) cement plug from **~~1676'-1950'~~ 1766'-1939'.** This should place cement across the Ojo Alamo formation.

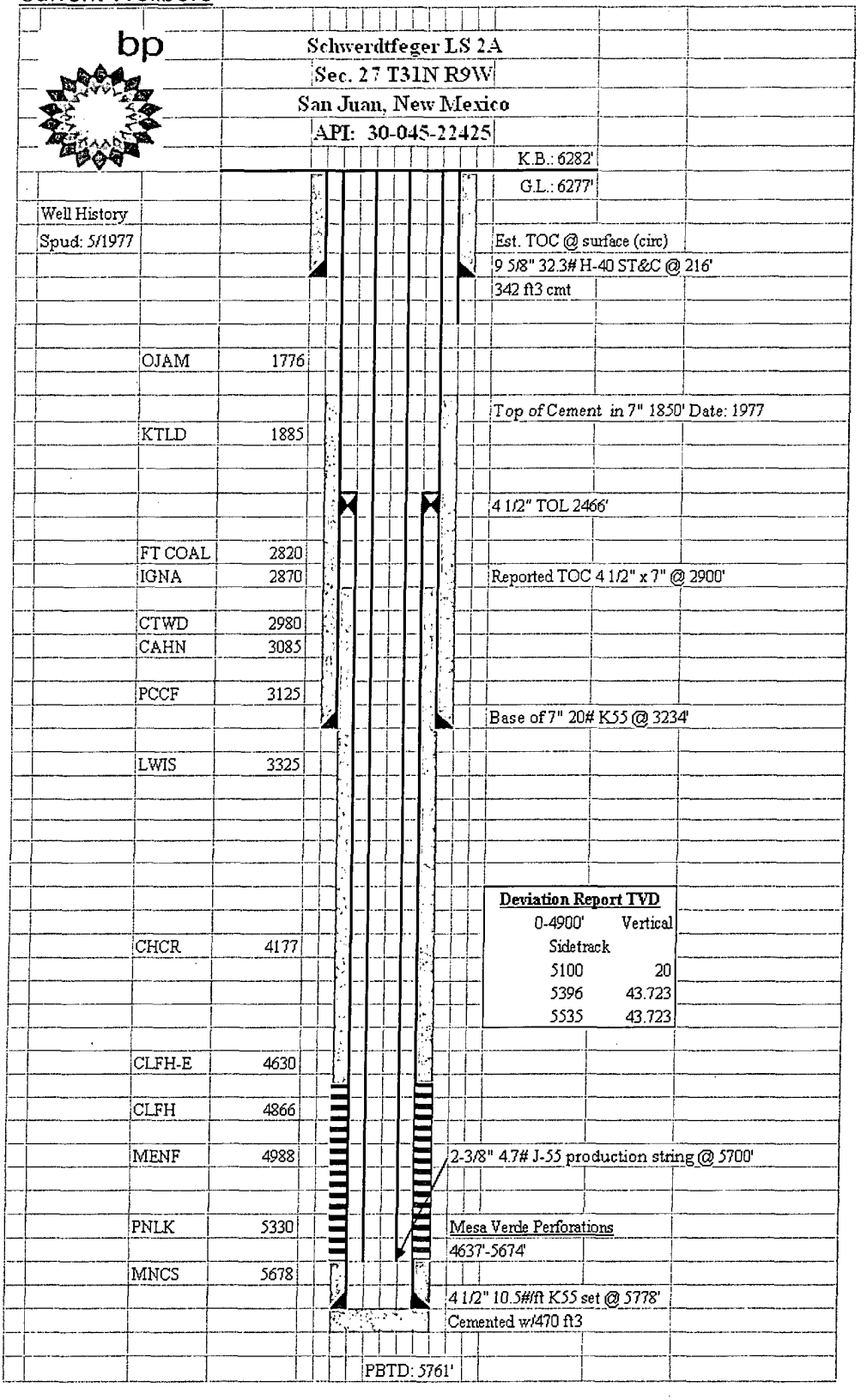
→ Plug Nacimiento from 449'-349' (150'; 34 ft^3)

39. RU wireline lubricator w/ perforating gun to stripper flange.
    - 2 feet of shots
    - 3 shots per foot
    - 60 degree phasing
40. Pressure test lubricator to specified pressure testing values, chart test.
41. RIH to +/- **266'** and perforate 4-1/2" casing. POOH with guns and RD wireline.
42. Establish circulation behind casing to surface. Pump a cement plug behind and inside 4-1/2" casing from **266'** to surface (~ **18.5** bbls, this include 100% excess for annular volume, 11.4 bbls is exact volume). Pump excess cement as necessary.
43. Cut off tree.
44. 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.
45. Install well marker and identification plate per BLM requirements.
46. RD and release all equipment.
47. Ensure all reports are loaded into OpenWells. Print out summary of work and place in well file. Notify proper personnel of completed P&A.

Schwerdtfeger LS 2A

P&A Procedure

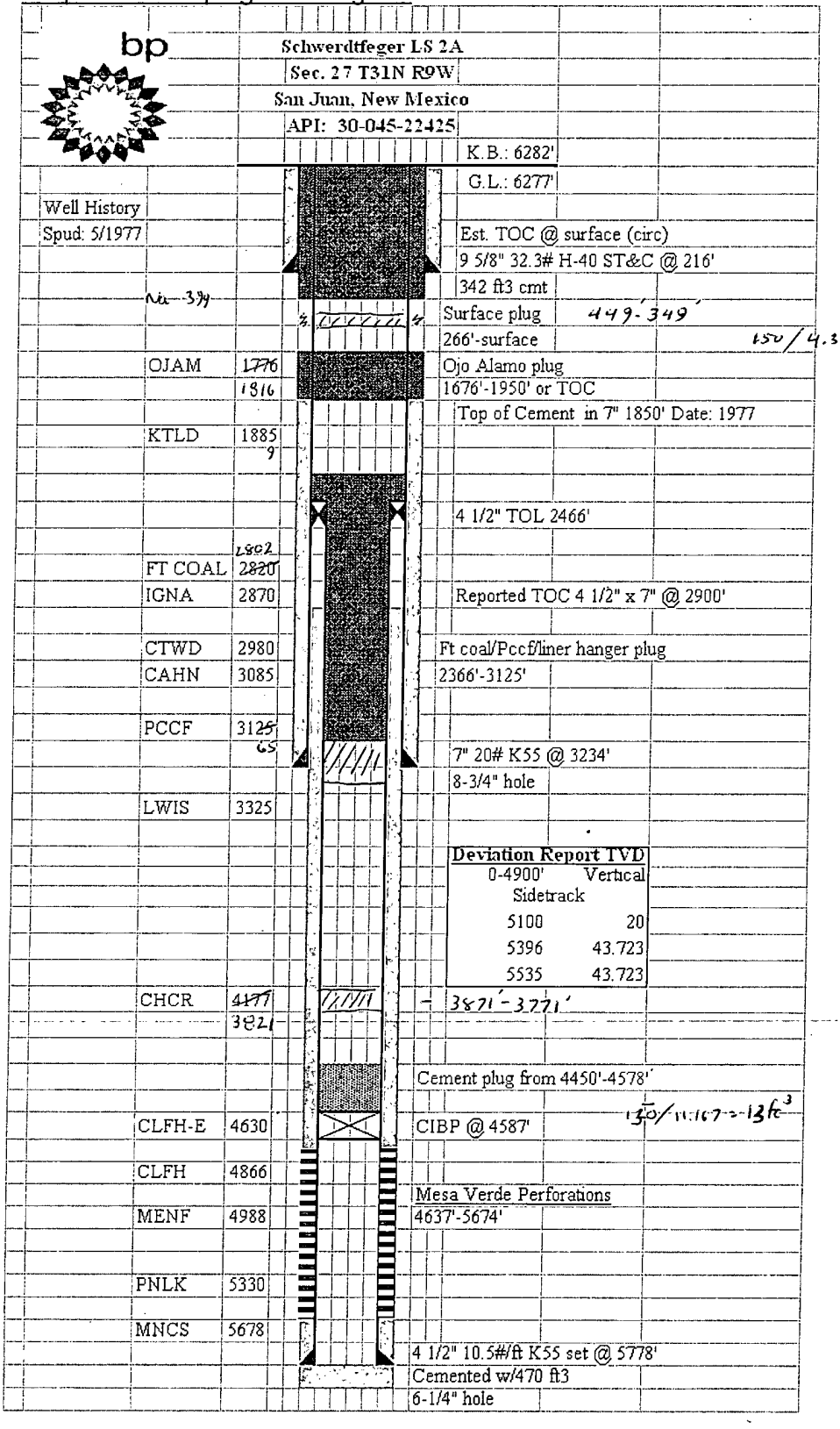
Current Wellbore



Schwerdtfeger LS 2A

P&A Procedure

Proposed P&A plug Set Program



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: 2A Schwerdtfeger 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 3871' – 3771' to cover the Chacra top.

b) Place the 7" Casing Shoe/Pictured Cliffs/Fruitland/4 ½" liner top plug from 3284' – 2366'.

c) Place the Kirtland/Ojo Alamo plug from 1939' – 1766'.

d) Place a cement plug from 449' – 349' inside and outside the 7" casing to cover the Nacimiento top.

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.