

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. NMSF078903 |
| 2. Name of Operator BP AMERICA PRODUCTION CO | | 6. If Indian, Allottee or Tribe Name EASTERN NAVAJO |
| Contact: RANAD ABDALLAH E-Mail: ranad.abdallah@bp.com | | 7. If Unit or CA/Agreement, Name and/or No. 892000844F |
| 3a. Address 200 ENERGY COURT FARMINGTON, NM 87401 | 3b. Phone No. (include area code) Ph: 281-366-4632 | 8. Well Name and No. GALLEGOS CANYON UNIT 245 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 36 T28N R12W SWNW 1850FNL 1190FWL 36.620880 N Lat, 108.067430 W Lon | | 9. API Well No. 30-045-11689-00-S1 |
| | | 10. Field and Pool, or Exploratory BASIN DAKOTA <i>Basin Mancos</i> |
| | | 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 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 checked="" 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 checked="" type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input 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 recompleate 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 recompleation 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 would like to submit and update the daily operation reports for the subject well.
Please see the attachment of the daily operational reports for May and June 2012.

RCVD JUL 13 '12
OIL CONS. DIV.
DIST. 3

| | |
|---|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #142205 verified by the BLM Well Information System For BP AMERICA PRODUCTION CO, sent to the Farmington Committed to AFMSS for processing by JIM LOVATO on 07/05/2012 (12JXL0145SE) | |
| Name (Printed/Typed) RANAD ABDALLAH | Title AUTHORIZED REPRESENTATIVE |
| Signature (Electronic Submission) | Date 07/03/2012 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--|-------------------|
| Approved By ACCEPTED | JIM LOVATO Title PETROLEUM ENGINEER | Date 07/05/2012 |
| 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

Daily Operational Reports for May 2012 and June 2012

5/21/2012- STUMP TEST BOP'S, BLIND RAMS TO 3000 PSI, PIPE RAMS TO 3000 PSI

5/22/2012- RU FLOWLINES AND CHOKE MANIFOLD, PRESSURE TEST TO 3000 PSI, 2% KCL BEING LOADED; COMPLETE LOADING 360 BBL 2% KCL WATER, MIRU, ROLL FRAC TANK WITH 15 GAL FRW 20 AND 1 GAL BIOCIDES; MIRU CT UNIT, PUMP TRUCK, AND N2 PUMP

5/23/2012- COMPLETE RU, FUNCTION TEST BOPS, LOAD CT WITH 2% KCL, SHELL TEST BOPS TO 3000 PSI FOR 5 MIN, PRESSURE TEST SURFACE LINES TO 250 PSI FOR 5 MIN AND 7000 PSI FOR 5 MIN., RIH AT 60 FT/MIN WITH PUMP RATE OF 0.5 BPM AT 750 PSI to 5000', PERFORM PULL CHECK. RETURNS TO FLOWBACK TANK; SPOOL IN HOLE 15 FT/MIN WHILE PUMPING 1BPM, CLEAN OUT IN 50' - 100' STAGES WHILE PULLING UP AND WAITING FOR BOTTOMS UP TO 5350', CLEAN OUT IN 25 FEET STAGES WHILE PULLING UP AND WAITING FOR BOTTOMS UP TO 5400. CIRCULATE WELL AT 1.5 BPM AT 5400. SPOOL OUT OF HOLE AT 80-100 FT/MIN AND 1 TO 0.5 BPM. RDMO CT EQUIPMENT.

5/24/2012- RDMO FILTER SKID AND PUMP, SUPPORT EQUIPMENT, FINISH PULLING FLOWBACK TANK (3 LOADS)

5/29/2012- RIG UP B&R SERVICES, PRESSURE TEST SLICKLINE LUBRICATOR 250 PSI LOW, 1000 PSI HIGH FOR 5 MINUTES EACH, RUN 1.906 IN GAUGE RING, TAG XN NIPPLE @ 5342 FT, RUN AND SET PUMP THROUGH XN PLUG IN PROFILE NIPPLE, NEGATIVE TEST, NO FLOW BACK INDICATED, RIG DOWN B&R SERVICES; RIG UP HIGH TECH SERVICES, PRESSURE TEST LUBRICATOR 250 PSI LOW, 1000 PSI HIGH FOR 5 MINUTES EACH, INSTALL TWO WAY CHECK INSIDE TUBING HANGER, RIG DOWN HIGH TECH.

5/30/12- PRESSURE TEST BOPE SURFACE LINES, PUMP VALVE, PRESSURE TEST BOP PIPE RAMS FOSV, PRESSURE TEST UPPER 2 3/8 IN PIPE RAMS OUTSIDE MUD CROSS VALVES, PRESSURE TEST INSIDE MUD CROSS VALVES. PRESSURE TEST BOP BLIND RAMS, ALL TEST LOW 200 - 300 PSI LOW, 1000PSI + 5 MINUTES EACH, ALL TEST MEET OR EXCEED MINIMUM REQUIREMENTS TO PASS. RIG UP LUBRICATOR, RETRIEVE TWC FROM TUBING HANGER. RIG UP WIRELINE, PRESSURE TEST LUBRICATOR 250 PSI LOW, 1000 PSI HIGH, RUN 1 7/16 IN FREEPOINT, 5310 FT 95% FREE, 5316 FT 70% FREE, 5324 FT 31% FREE, 5332 FT 2% FREE, TOP OF PACKER 5336 FT. RUN 1.80 IN CHEMICAL CUTTER AND CUT @ 5332 FT. PUMP 2% KCL @ 500 PSI WHILE WORKING PIPE UP TO 54K, PIPE CAME FREE.

5/31/2012- TOH LD 315 FT OF 2 7/8 IN BUTTRESS THREAD FISH, PU OVERSHOT, DC ACCELERATOR TIH, BLOW DOWN @ 4012, TIH TO 5314, PU SWIVEL, CIRCULATE, LATCH ON TO FISH, PUSH FISH DOWN 3 FT, POH 10K OVER STRING DRAG DROPPING OFF TO 0K OVERPULL.

6/1/2012- POH LAY DOWN FISHING TOOLS AND FISH, PICK UP BHA RUN IN HOLE, TAG @ 5400 FT, CLEAN OUT TO 5567', GOOD SAND RETURNS, LAY DOWN 2 JOINTS WITH SWIVEL, SECURE WELL FOR WEEKEND.

6/4/2012- BWD, TIH 2 JTS TBG, BRK CIRC W/ AIR MIST, C/O WELLBORE FROM 5567 FT TO 5884 FT, DRIED HOLE UP, LY DWN SNGL, RD/P SWVL, TOOHI/ABV PERFS, SECURE WELL

6/5/2012- RU/ 2 IN FLW LINE AND ADJ CHOKE, FLOW TEST GALLUP FORM, BRK CIRC AND TIH/TBG, TG FILL, PU/RU/ P SWVL, BRK CIRC W/AIR AND MIST, C/O WELLBORE FROM 5869 FT TO 5952 FT, DRILLED UP COMP PLUG, C/O WELLBORE, DRIED HOLE UP, LY DOWN P SWVL, TOOHI/ 6 STDS, SECURE WELL.

6/6/2012- BWD, TIH/TBG, PUSH COMP BP TO PBDT, TOOHI/TBG, KILL WELL, LY DWN BHA, PU/MU W' FORD 4 1/2 IN RBP, TIH/ TOOLS, ST RBP, LD HOLE, MIT 4 1/2 IN CSG, SECURE WELL

6/7/2012- REP CSG VLVS, C/O P RAM RBRS, PL HNGR, INST TWC, LND HNGR, TST P RAMS, PL HNGR AND TWC, LND HNGR, LD HOLE, MIT 4 1/2 IN CSG, PL HNGR, TOOHI/ TBG, LY DWN RBP OVSHT, PU/MU/ 4 1/2 IN PKR, TIH/TBG, LD HOLE, ST PKR, TST RBP, HUNT HOLES, SECURE WELL.

6/8/2012- SAF STDWN, CHK PRESSURES, TIH/TBG, HUNT FOR HOLES IN CSG, EST INJ RATE, TOOHI/TBG, LY DOWN PKR, PU/MU/PKR AND TIH/TBG, LD HOLE, ST PKR, P TST, UNST PKR, TOOHI/TBG ABOVE HOLE, SECURE WELL.

6/11/2012- TOH LD 4 1/2 IN 39 A PACKERS, TIH WITH RBP RETRIEVAL TOOL, TOH WITH RBP, RUN MECHANICAL SET CIBP SET @ 1950', RIH WITH 39 A PACKER, FILL HOLE WITH 2 % KCL, SET PACKER ABOVE CIBP, PRESSURE TEST CIBP 300 PSI LOW, 1050 PSI HIGH, POH WITH PACKER, RIH OPEN ENDED.

6/12/2012- PICK UP 10 FT PUP WITH SINGLE JOINT, SET TUBING @ 1948 FT, RIG UP HALLIBURTON, WAIT ON TRIPLES, PERFORM HESITATION SQUEEZE WITH 4.1 BBLA FINE CHEM CEMENT, APPROX 8+ GALLONS CEMENT INTO HOLE, SECURE WELL WITH 1070 PSI ON CASING, SHUT DOWN FOR NIGHT.

6/13/2012- RELEASE PRESSURE ON CASING, TOH, PU, BIT, BIT SUB, DRILL COLLARS AND TIH TAG CEMENT @ 1717 FT, UNLOAD WELL, DRLG CMT FROM 1717 FT TO 1749 FT, CEMNT SOFT, LD 6 JTS, REPRESSURE CSG TO 600 PSI.

6/14/2012- TIH 3 STANDS, DRILL CEMENT TO 1948 FT, PRESSURE TEST CASING, WAIT ON TESTER, PERFORM MIT ON CASING, DRILL CIBP.

6/15/2012- POH LD STRING FLOAT, TIH TO PBTD 3 FT FILL, CIRCULATE WELLBORE CLEAN, TOH, LD BHA, PICK UP MULESHOE, F NIPPLE WITH PLUG, TIH TO 1900', SECURE WELL FOR WEEKEND.

6/18/2012- LAND TBG, TEST TBG, RD FLOOR, ND BOPE, NU WELLHEAD, TEST WH SEALS, RUN SLICKLINE, TAG 31' SHALLOW, ND WH, NU, BOPE, PRESSURE TEST BOPE, RU FLOOR, ADD JT TBG, LAND TBG @ 6385 FT, RD FLOOR, ND BOPE, NU WELLHEAD.

6/19/2012- RUN ROD PUMP AND RODS, SEAT PUMP, SPACE OUT RODS, STROKE TEST PUMP TO 500 PSI, RIG DOWN.

* On all Future Sundries Please include
tubing size, weight & grade.