

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: December 30, 2013

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other: _____

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-24958-00-00	GALLEGOS CANYON UNIT	086E	BP AMERICA PRODUCTION COMPANY	G	A	San Juan	F	P	35	29	N	13	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Prior to perforating provide CBL to agencies for review

NMOCD Approved by Signature

1/10/14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2016

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. NMSF078926
2. Name of Operator BP AMERICA PRODUCTION CO		6. If Indian, Allottee or Tribe Name EASTERN NAVAJO
3a. Address 200 ENERGY COURT FARMINGTON, NM 87401		7. If Unit or CA/Agreement, Name and/or No. 892000884F
3b. Phone No. (include area code) Ph: 281-366-7148		8. Well Name and No. GALLEGOS CANYON UNIT 86E
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T29N R13W SESE 1100FSL 0800FEL 36.678650 N Lat, 108.168750 W Lon		9. API Well No. 30-045-24958-00-S1
		10. Field and Pool, or Exploratory BASIN DAKOTA
		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 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 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 Production Company requests permission to re-complete into the Basin Mancos by setting a CIBP, then remove the CIBP & downhole commingle production with the existing Basin Dakota.

The DK (71599) & the Basin Mancos (97232) pools are pre-approved for DHC per NMOCD Case No. 12520; Order No. R-11567 effective 04/26/2001. Although the interest owners are not identical between these two pools, this same order established approval for subsequent applications for DHC of production in wellbores within the GCU without notice to the unit interest owners. Therefore, no additional notification is required prior to DHC approval.

Production is proposed to be allocated based on the subtraction method using the DK projected future decline. That production will serve as a base for production subtracted from the total production for the commingled well. The balance of the production will be attributed to the Basin

RCVD JAN 9 '14
OIL CONS. DIV.

DIST. 3

DHC 3853 A2

14. I hereby certify that the foregoing is true and correct. Electronic Submission #230628 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 01/07/2014 (14SXM1612SE)	
Name (Printed/Typed) TOYA COLVIN	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 12/30/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>STEPHEN MASON</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>01/07/2014</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

Additional data for EC transaction #230628 that would not fit on the form

32. Additional remarks, continued

Mancos.

Commingling production downhole in the subject well from the proposed pools will not reduce the value of the total remaining production.

Please see attached DHC procedure, wellbore schematics & C-102 plat. NMOCD notified via form C-103.



BP - San Juan Wellwork Procedure

GCU 86E
30-045-24958

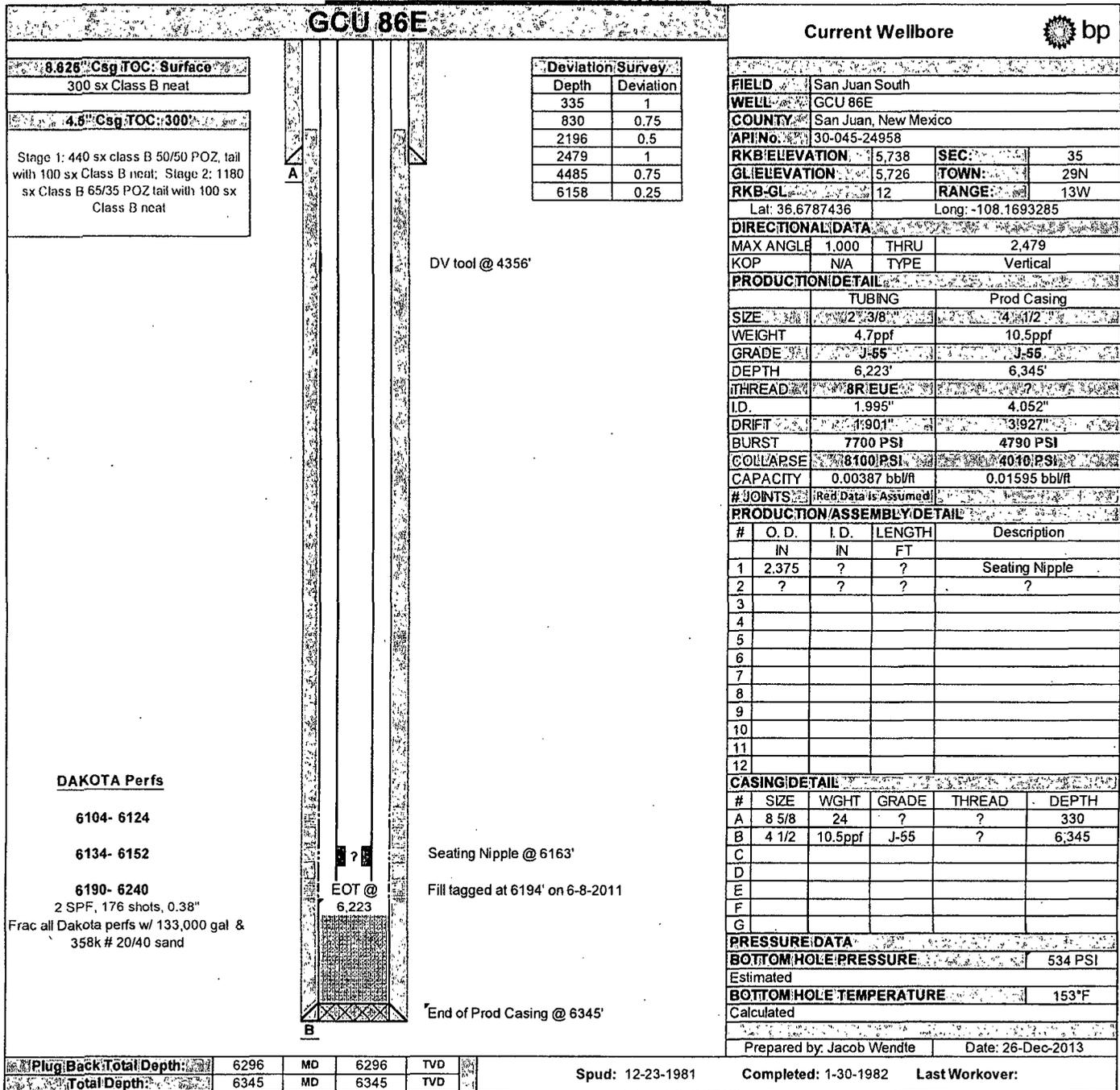
Unit letter P SEC. 35, T29N, R13W
San Juan, NM
Dakota Formation

The purpose of this procedure is to outline the completion of the Pinon trend in the Gallup (Mancos) and commingling with the currently producing Dakota.

Basic Job Procedure:

1. Pull tubing
2. Set CIBP at +/-6,050'
3. Pressure test CIBP and casing to verify integrity
4. Run CBL (segmented) from the CIBP to surface.
5. Dump +/-20' of sand on CIBP
6. MIT wellbore
7. Recomplete to the Gallup (Mancos) with the following proposed perforations: +/-5590 - 5610'
8. Commingle well and cleanout/deepen PBTD to +/-5' above the 4.5" casing shoe at +/-6,342'
9. Land tubing at +/-6,293' and return well to production

Current Wellbore Diagram



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Proposed Wellbore Diagram

GCU 86E

Proposed Wellbore

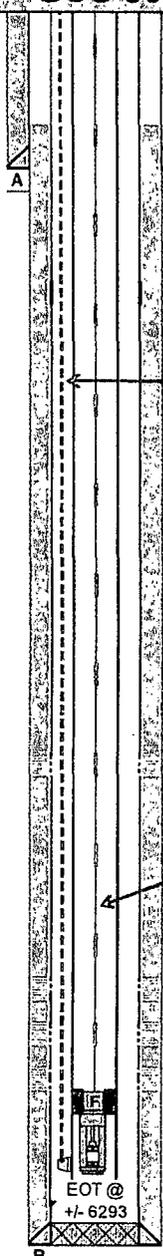


8.625" Csg TOC: Surface
300 sx Class B neat

4.6" Csg TOC: 300'

Stage 1: 440 sx class B 50/50 POZ, tail with 100 sx Class B neat; Stage 2: 1180 sx Class B 65/35 POZ tail with 100 sx Class B neat

Deviation Survey	
Depth	Deviation
335	1
830	0.75
2196	0.5
2479	1
4485	0.75
6158	0.25



Gallup Perfs
5590- 5610

DAKOTA Perfs
6104- 6124
6134- 6152
6190- 6240
2 SPF, 176 shots, 0.38"
Frac all Dakota perfs w/ 133,000 gal & 358k # 20/40 sand

DV tool @ 4356'

1/4" SS line banded (2 bands per jt) to tubing

Seating Nipple @ +/-6270'

End of Prod Casing @ 6345'

Component	Details	#
Polished rod	1.25 x 26'	1
Sucker Rods "D"	0.875" x 25'	94
Sucker Rods "D"	0.75" x 25'	152
Sinker Rods "D"	1.25" x 25'	5
RHAC Pump	2" x 1.5" x 15'	1

FIELD	San Juan South		
WELL	GCU 86E		
COUNTY	San Juan, New Mexico		
API No	30-045-24958		
RKB/ELEVATION	5,738	SEC	35
GL/ELEVATION	5,726	TOWN	29N
RKB-GL	12	RANGE	13W
Lat: 36.6787436		Long: -108.1693285	

DIRECTIONAL DATA			
MAX ANGLE	1.000	THRU	2,479
KOP	N/A	TYPE	Vertical

PRODUCTION DETAIL	
	TUBING
SIZE	2 3/8" / 4 1/2"
WEIGHT	4.7ppf / 10.5ppf
GRADE	J-55 / J-55
DEPTH	+/- 6293 / 6,345'
THREAD	7/8 REG / 7/8 REG
I.D.	1.995" / 4.052"
DRIFT	1.990" / 3.927"
BURST	7700 PSI / 4790 PSI
COLLAPSE	8100 PSI / 4010 PSI
CAPACITY	0.00387 bbl/ft / 0.01595 bbl/ft
# JOINTS	(Red) Data is Assumed

PRODUCTION/ASSEMBLY DETAIL				
#	O. D.	I. D.	LENGTH	Description
	IN	IN	FT	
1	2.375	1.780	1.00	F-Nipple
2	2.375	1.995	16.00	Pup jt w/0.25" weep hole
3	2.875	1.995	1.00	Injection Mandrel
4	2.375	1.995	4.00	4' pup
5	2.375	1.995	1.000	Mule Shoe
6				
7				
8				
9				
10				
11				
12				

CASING DETAIL					
#	SIZE	WGHT	GRADE	THREAD	DEPTH
A	8 5/8	24	?	?	330
B	4 1/2	10.5ppf	J-55	?	6,345
C					
D					
E					
F					
G					

PRESSURE DATA	
BOTTOM HOLE PRESSURE	1440 PSI
Estimated	

BOTTOM HOLE TEMPERATURE	153°F
Calculated	

Plug Back Total Depth:	6337	MD	6337	TVD
Total Depth:	6345	MD	6345	TVD

Spud: 12-23-1981 Completed: 1-30-1982 Last Workover:

Prepared by: Jacob Wendte Date: 26-Dec-2013

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District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-24958		² Pool Code 97232		³ Pool Name Basin Mancos	
⁴ Property Code 000570		⁵ Property Name Gallegos Canyon Unit			⁶ Well Number 86E
⁷ OGRID No. 000778		⁸ Operator Name BP America Production Company			⁹ Elevation 5725

¹⁰ Surface Location

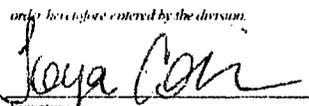
UL or lot no. P	Section 35	Township 29N	Range 13W	Lot Idn	Feet from the 1100	North/South line South	Feet from the 800	East/West line East	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-11567
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16			¹⁷ OPERATOR CERTIFICATION	
			I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
			 12/30/13 Signature Date	
			Taya Colvin Printed Name Taya.Colvin@bp.com E-mail Address	
		¹⁸ SURVEYOR CERTIFICATION		
		I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.		
		Date of Survey		
		Signature and Seal of Professional Surveyor:		
		Previously Filed		
		Certificate Number		

