

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: March 12th, 2014

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
30-045-24428-00-00	GALLEGOS CANYON UNIT	185E	BP AMERICA PRODUCTION COMPANY	G	A	San Juan	F	A	33	28	N	12	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Obtain NSL for Mancos prior to producing

File Mancos C104 and Completion Report before returning to production

NMOCD Approved by Signature

3-21-2014
Date

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.

5. Lease Serial No.
NMSF078903B

6. If Indian, Allottee or Tribe Name
EASTERN NAVAJO

7. If Unit or CA/Agreement, Name and/or No.
892000884F

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
GALLEGOS CANYON UNIT 185E

9. API Well No.
30-045-24428-00-S1

10. Field and Pool, or Exploratory
BASIN DAKOTA

11. County or Parish, and State
SAN JUAN COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
BP AMERICA PRODUCTION CO
Contact: TOYA COLVIN
E-Mail: Toya.Colvin@bp.com

3a. Address
200 ENERGY COURT
FARMINGTON, NM 87401

3b. Phone No. (include area code)
Ph: 281-366-7148

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 33 T28N R12W NENE 0600FNL 0515FEL
36.624360 N Lat, 108.109280 W Lon

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 respectfully request permission to re-complete into the Basin Mancos by setting a CIBP over the Dakota, establishing a steady rate in the Basin Mancos, then remove the CIBP & downhole commingle with existing Basin Dakota.

The Dakota (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 Dakota projected future decline. That production will serve as a base for production subtracted from the total

RCUD MAR 14 '14
OIL CONS. DIV.
DIST. 3

DHC 3862 AZ

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

Electronic Submission #238560 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 03/13/2014 (14SXM1650SE)

Name (Printed/Typed) TOYA COLVIN

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 03/12/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON

Title PETROLEUM ENGINEER

Date 03/13/2014

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 ****

Additional data for EC transaction #238560 that would not fit on the form

32. Additional remarks, continued

production for the commingled well. The balance of the production will be attributed to the Basin 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, and C-102 plats. NMOCD notified via C-103 form.

Federal Lease NMSF078903B



GCU 185E DK
Dakota
API # 30-045-24428
Sec. 33, T28N, R12W
San Juan County, New Mexico

Reason/Background for Job

The proposed work is to re-complete the GCU 185E to Basin Mancos (Gallup). The Dakota will be isolated and Mancos (Gallup) will be produced by itself for approx. 6 months. After 6 months, drill out CIBP to open the Dakota and commingle production.

1. Pull tubing
2. Set bridge plug to isolate DK
3. MIT wellbore
8. Run CBL
9. Recomplete Mancos (Gallup) 5384 – 5399' ±
10. Produce Mancos (Gallup) for approx. 6 months
11. Drill out bridge plug. Clean out to PBTD; Drill out PBTD to 6180' ± (if possible)
12. Produce well – DH commingle

Current WBD

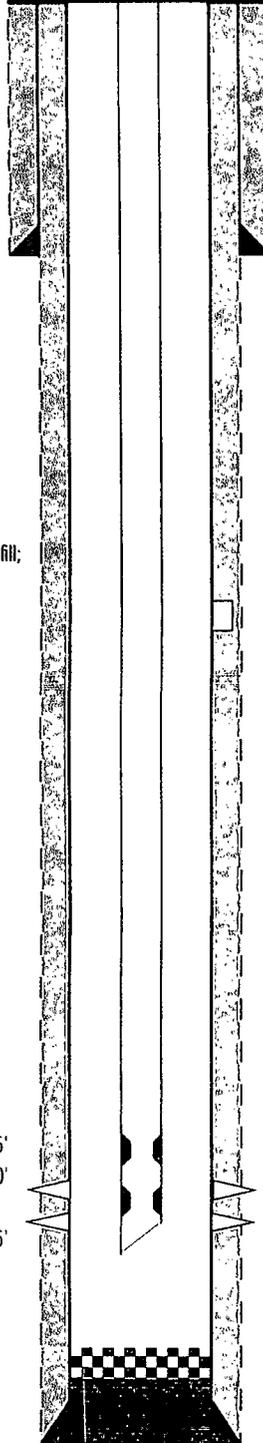


GCU 185E DK
 Dakota
 API # 30-045-24428
 Sec. 33, T28N, R12W
 San Juan County, New Mexico

History

08/1980 - Spud in
 08/1980 - Complete DK
 10/2009 - WS - tag fill @ 6117'; POH tbg & L/D
 set RBP @ 830'; press test to 500 psi - OK
 service WH & press test to 1500 psi - OK
 retrieve RBP; c/o; run prod tbg to 6080'
 no H2S detected
 11/2010 - replace master & csg valves
 04/2011 - WS - no H2S detected; tag @ 6134' - no fill;
 scraper run; RIH w/ prod tbg @ 6075';
 test WH seals to 1500 psi - OK; swab

GL 5731'
 KB 5744'



12 1/4" hole
 8 5/8", 24#, K55 ST&C @ 307'
 Cmt w/ 300 sxs class B w/ 2% CaCl2
 TOC @ surface (circ)

<u>Tubing details</u>	<u>Length (ft)</u>
Pup Jt 2 3/8", 4.7#, J55, MS	3
F nipple 2 3/8" / 1.78"	1
Pup Jt 2 3/8", 4.7#, J55	4
X Nipple 2 3/8" / 1 1/4"	1
Tbg 2 3/8", 4.7#, J55, 189 jts	6058

DV tool @ 4289'

X Nipple @ 6065'
 F Nipple @ 6070'
 EOT @ 6075'

<u>Formation Tops (ft)</u>	
Fruitland	1150
Pictured Cliffs	1430
Mesa Verde	2970
Gallup	5040
Dakota	5965

Dakota Perforations

6020 - 6084' @ 2 spf
 frac w/ 129K gal & 330K # 20/40

7 7/8" hole
 4 1/2", 10.50 #, K55 ST&C @ 6186"
 stage 1 - 420 sxs class B w/ 50:50 POZ
 w/ 6% gel, 2# medium tuf plug per sx & 0.8%
 fluid loss additive
 stage 2 - 820 sxs class B w/ 65:35 POZ
 6% gel, 2# medium tuf plug per sx & 0.8%
 fluid loss additive; tail with 100 sx class B neat
 TOC @ surface (circ)

PBTD 6134'
 TD 6186'

Proposed WBD – Mancos (Gallup) production

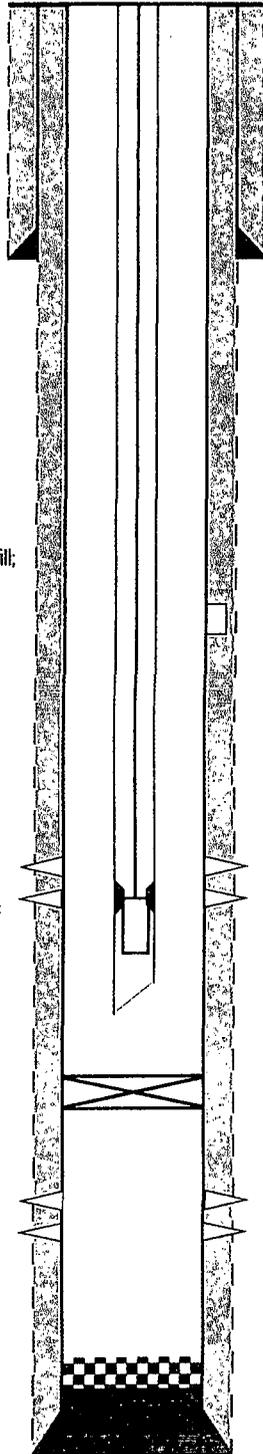


GCU 185E DK
 Dakota
 API # 30-045-24428
 Sec. 33, T28N, R12W
 San Juan County, New Mexico

History

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 scraper run; RIH w/ prod tbg @ 6075';
 test WH seals to 1500 psi - OK; swab

GL 5731'
 KB 5744'



12 1/4" hole
 8 5/8", 24#, K55 ST&C @ 307'
 Cmt w/ 300 sxs class B w/ 2% CaCl2
 TOC @ surface (circ)

Tubing details

Tbg 2 3/8", 4.7#, J55, MS
 F nipple 2 3/8" / 1.78"
 Tbg 2 3/8", 4.7#, J55

DV tool @ 4289'

F Nipple @ 5450' ±

EOT @ 5480' ±

Proposed Mancos Perfs

5384 - 5399'

CIBP @ 5980' ±

Dakota Perforations

6020 - 6084' @ 2 spf
 frac w/ 129K gal & 330K # 20/40

7 7/8" hole
 4 1/2", 10.50 #, K55 ST&C @ 6186"
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 w/ 6% gel, 2# medium tuf plug per sx & 0.8%
 fluid loss additive
 stage 2 - 820 sxs class B w/ 65:35 POZ
 6% gel, 2# medium tuf plug per sx & 0.8%
 fluid loss additive; tail with 100 sx class B neat
 TOC @ surface (circ)

Formation Tops (ft)	
Fruiland	1150
Pictured Cliffs	1430
Mesa Verde	2970
Gallup	5040
Dakota	5965

PBDT 6134'
 TD 6186'

Proposed WBD – Mancos (Gallup) & Dakota production (a capillary string might be installed)

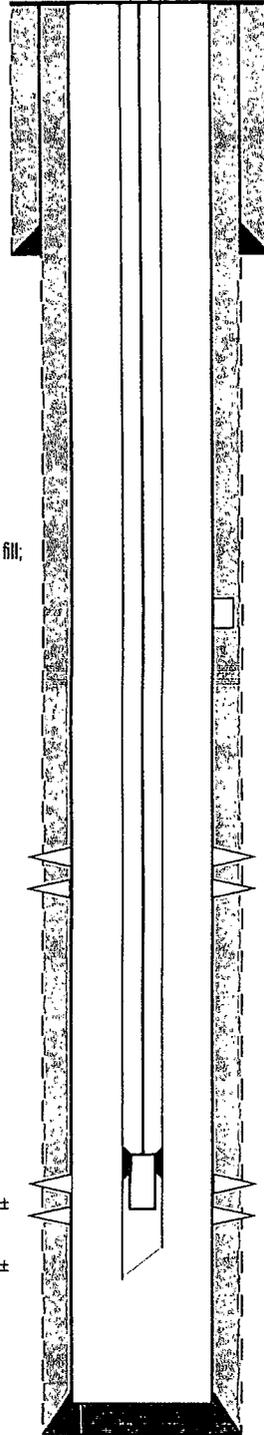


GCU 185E DK
 Dakota
 API # 30-045-24428
 Sec. 33, T28N, R12W
 San Juan County, New Mexico

History

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 08/1980 - Complete DK
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GL 5731'
 KB 5744'



12 1/4" hole
 8 1/4", 24#, K55 ST&C @ 307'
 Cmt w/ 300 sxs class B w/ 2% CaCl2
 TOC @ surface (circ)

Tubing details

Tbg 2 3/8", 4.7#, J55, MS
 F nipple 2 3/8" / 1.78"
 Tbg 2 3/8", 4.7#, J55

DV tool @ 4289'

Proposed Mancos Perfs

5384 - 5399'

Dakota Perforations

6020 - 6084' @ 2 spf
 frac w/ 129K gal & 330K # 20/40

7 1/8" hole
 4 1/2", 10.50 #, K55 ST&C @ 6186"
 stage 1 - 420 sxs class B w/ 50:50 POZ
 w/ 6% gel, 2# medium tuf plug per sx & 0.8% fluid loss additive
 stage 2 - 820 sxs class B w/ 65:35 POZ
 6% gel, 2# medium tuf plug per sx & 0.8% fluid loss additive; tail with 100 sx class B neat
 TOC @ surface (circ)

F Nipple @ 6124' ±

EOT @ 6156' ±

Formation Tops (ft)	
Fruitland	1150
Pictured Cliffs	1430
Mesa Verde	2970
Gallup	5040
Dakota	5965

PBTD 6180'
 TD 6186'

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesian, 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 30-045-24428		² Pool Code 71599		³ Pool Name Basin Dakota	
⁴ Property Code 000570		⁵ Property Name Gallegos Canyon Unit			⁶ Well Number 185E
⁷ OGRID No. 000778		⁸ Operator Name BP America Production Company			⁹ Elevation 5731

¹⁰ Surface Location

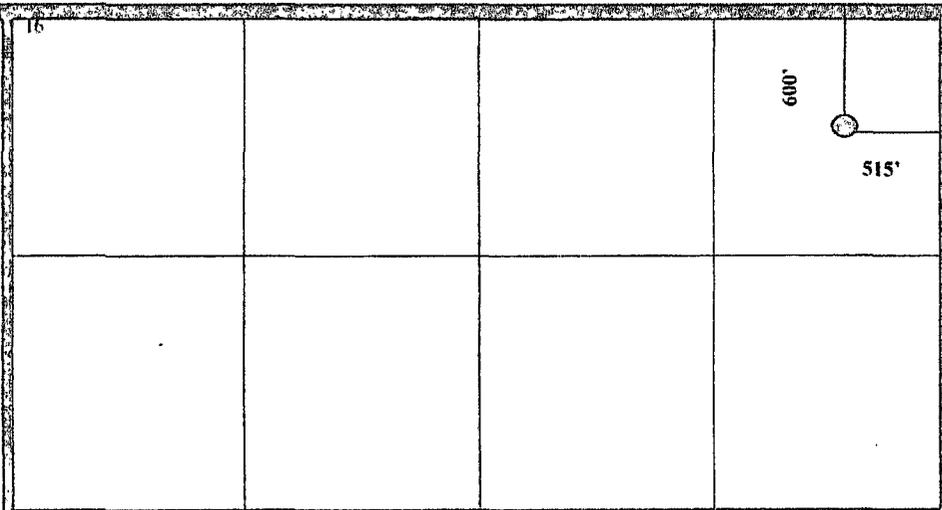
Ul. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	28N	12W		600	North	515	East	San Juan

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

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.

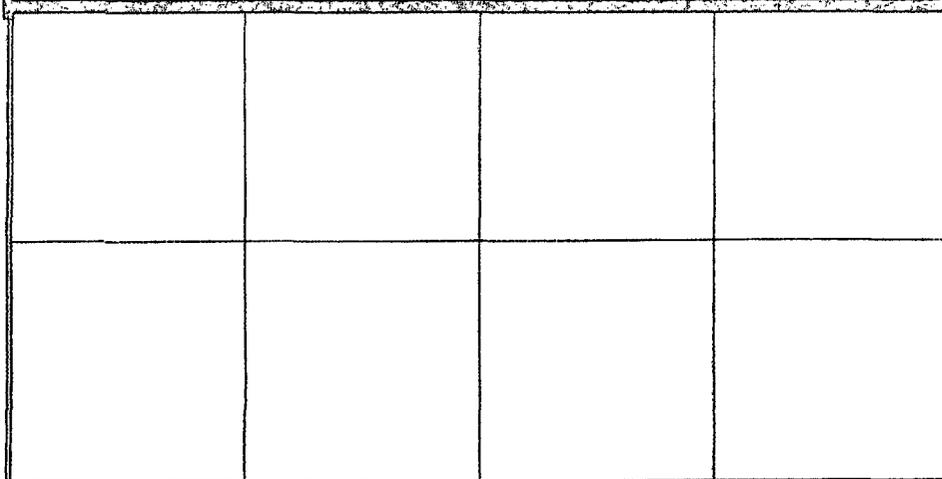


¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to 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.

Toya Colvin 3/12/2014
Signature Date

Toya Colvin
Printed Name

Toya.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

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

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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 30-045-24428		² Pool Code 97232		³ Pool Name Basin Mancos	
⁴ Property Code 000570		⁵ Property Name Gallegos Canyon Unit			⁶ Well Number 185E
⁷ OGRID No. 000778		⁸ Operator Name BP America Production Company			⁹ Elevation 5731

¹⁰ Surface Location

U/I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	28N	12W		600	North	515	East	San Juan

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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.

<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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 unleased 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.</p> <p><i>Toya Colvin</i> 3/12/2014 Signature Date</p> <p>Toya Colvin Printed Name</p> <p>Toya.Colvin@bp.com E-mail Address</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> <p>Previously Filed</p> <p>Certificate Number</p>