

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.
NMSF078905

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other: INJECTION

8. Well Name and No.
GALLEGOS CANYON UNIT 259 WDW

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

9. API Well No.
30-045-20006-00-S2

3a. Address
200 ENERGY COURT
FARMINGTON, NM 87401

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

10. Field and Pool, or Exploratory
BLANCO MESAVERDE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 14 T28N R12W SESE 0740FSL 0810FEL
36.656910 N Lat, 108.074280 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			
<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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
BP	<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 recomplate 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.)

Due to the NMOCD rejecting our recently submitted Notice of Casing Repair dated 11/24/2015, BP requests to repair the casing on the subject well with the updated procedure attached.

Please see the attached procedure including wellbore diagram.

In accordance with NMOCD Pit Rule 19.15.17.9 NMAC, BP will use a closed-loop system during operations.

OIL CONS. DIV DIST. 3

FEB 04 2016

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

**Electronic Submission #330193 verified by the BLM Well Information System
For BP AMERICA PRODUCTION CO, sent to the Farmington
Committed to AFMSS for processing by JACK SAVAGE on 02/03/2016 (16JWS0036SE)**

Name (Printed/Typed) TOYA COLVIN	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 01/29/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JACK SAVAGE</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>02/03/2016</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 *TV*

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GCU 259 SWD

API # 30-045-20006

Location: Unit I - Sec 14 - T28N - R12W

San Juan County, New Mexico

Proposal

A casing leak has been identified at 1743' \pm . It is proposed to isolate the leak with a casing patch.

Basic Job Procedure

1. RIH with 120' \pm casing patch
2. Hydraulically set patch at 1660' - 1780' \pm
3. RIH with tubing and seal assembly
4. Sting into injection packer at 3170'
5. MIT casing to 900 psi for 30 minutes
6. Record and document test
7. Return well to injection

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
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SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		5. Lease Serial No. NMSF078905
2. Name of Operator BP AMERICA PRODUCTION CO		6. If Indian, Allottee or Tribe Name
3a. Address 200 ENERGY COURT FARMINGTON, NM 87401		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 281-366-7148		8. Well Name and No. GALLEGOS CANYON UNIT 259 WDW
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T28N R12W SESE 0740FSL 0810FEL 36.656910 N Lat, 108.074280 W Lon		9. API Well No. 30-045-20006-00-S2
		10. Field and Pool, or Exploratory BLANCO MESAVERDE
		11. County or Parish, and State SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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<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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
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Please see the attached Casing Repair operations performed December 2015, which includes our proposal to now isolate the leak in the production casing by straddling it with two packers.

Please see attached proposal including wellbore diagram.

OIL CONS. DIV DIST. 3
JAN 13 2016

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #328018 verified by the BLM Well Information System For BP AMERICA PRODUCTION CO, sent to the Farmington Committed to AFMSS for processing by ABDELGADIR ELMADANI on 01/08/2016 (16AE0057SE)	
Name (Printed/Typed) TOYA COLVIN	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 01/07/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>ABDELGADIR ELMADANI</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>01/08/2016</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 See Amended Sundry

GCU 259 SWD

API # 30-045-20006

Location: Unit I - Sec 14 - T28N - R12W

San Juan County, New Mexico

Background

During the workover in December 2015 a small leak was identified in the production casing between 1742' – 1773'. The leak was small enough that injection could not be established and the pressure fell off at a rate of 60 psi/min at 900 psi. A radial CBL was run which confirmed good cement to surface. Two cement squeezes were attempted, unsuccessfully. After both squeezes & drill out, the pressure fell off at a rate of 30 psi/min at 900 psi. This exceeds the requirement to demonstrate mechanical integrity. The decision was made to release the rig and develop a new plan.

Proposal

It is proposed to isolate the leak in the production casing by straddling it with two packers. The leak in the casing would be isolated from the injection zone by the current injection packer set at 3170' plus a new packer set at 1798' +/- . The wellhead will be isolated from the leak by an additional packer set at 1717' +/- . In addition, we have confirmed that we do not have flow behind the casing from the radial CBL ran in December 2015. This option allows us the flexibility to remove the existing injection packer if needed in the future.

Basic Job Procedure

1. RIH with retrievable packer and set below leak
2. Pressure test the injection packer and casing between injection packer and retrievable packer to 900 psi for 30 minutes
3. Record and document test
4. POOH with retrievable packer
5. RIH with tubing and isolation packer assembly
6. Sting into injection packer
7. Set new packer below leak at 1798' +/-
8. Set second packer above the leak at 1717' +/-
9. Pressure test casing above packer set at 1717' to 900 psi for 30 minutes
10. Record and document test

NO.	DATE	DESCRIPTION	AMOUNT
1	1/1/19
2	1/2/19
3	1/3/19
4	1/4/19
5	1/5/19
6	1/6/19
7	1/7/19
8	1/8/19
9	1/9/19
10	1/10/19
11	1/11/19
12	1/12/19
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23	1/23/19
24	1/24/19
25	1/25/19
26	1/26/19
27	1/27/19
28	1/28/19
29	1/29/19
30	1/30/19
31	1/31/19

NO.	DATE	DESCRIPTION	AMOUNT
32	1/31/19	...	...
33	2/1/19	...	...
34	2/2/19	...	...
35	2/3/19	...	...
36	2/4/19	...	...
37	2/5/19
38	2/6/19
39	2/7/19
40	2/8/19
41	2/9/19
42	2/10/19
43	2/11/19
44	2/12/19
45	2/13/19
46	2/14/19
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52	2/20/19
53	2/21/19
54	2/22/19
55	2/23/19
56	2/24/19
57	2/25/19
58	2/26/19
59	2/27/19
60	2/28/19
61	2/29/19	...	...
62	2/30/19	...	...



BLM CONDITION OF APPROVAL

CASING REPAIR, WORKOVER AND RECOMPLETION OPERATIONS:

1. If casing repair operations are needed, obtain prior approval from this office before commencing repairs. If a CBL or other logs are run, provide this office with a copy.
2. After any casing repair operations, test cement squeeze to a minimum of 500# for 30 minutes with no more than 10 % pressure fall off in the 30 minute test period. Provide test chart with your subsequent report of operations
3. A properly functioning BOP and related equipment must be installed prior to commencing workover, casing repair, and/or recompletion operations.
4. **Contact this office at (505) 564-7750 prior to conducting any cementing operations**

SPECIAL STIPULATIONS:

1. **Pits will be fenced during work-over operation.**
2. **All disturbance will be kept on existing pad.**
3. **All pits will be pulled and closed immediately upon completion of the recompletion and work-over activities.**
4. **Pits will be lined with an impervious material at least 12 mils thick.**