Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, 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 and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

WELL API NO. **30-045-24248**

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: **Gallegos Canyon Unit**

1. Type of Well: Oil Well ☐ Gas Well Other **Salt Water Disposal Well**

2. Name of Operator **BP America Production Company** Attn: **Cherry Hlava**

8. Well No. **307**

3. Address of Operator **P.O. Box 3092 Houston, TX 77253**

9. Pool name or Wildcat **Pictured Cliffs & Mesaverde (SWD)**

4. Well Location

Unit Letter **L** **1455** feet from the **South** line and **510** feet from the **West** line

Section **30** Township **29N** Range **12W** NMPM **San Juan** County

10. Elevation *(Show whether DR, RKB, RT, GR, etc.)* **5583'**

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☒	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPLETION ☐	CASING TEST AND CEMENT JOB ☐	
OTHER: **Abandon PC & Acidize MV** ☒		OTHER:	

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

The above well was completed as a dual completion in 1981 with the PC in the short string (SS) and the salt water injection to the MV in the long string (LS). The PC is currently producing with a pump at a very low rate of 2-5 mcfd to El Paso's low-volume meter system. In the other side, injection pressure at the wellhead, which is currently recording at 1,150 psig, is approaching the maximum allowable limit (1,200 psig, as set via step-rate injectivity test). Prior to cleaning the MV perforations with acid to improve injectivity, it's recommended to abandon the PC by cement squeeze and utilize the wellbore only for the salt water injection to the MV. BP requests regulatory approval to abandon the PC and perform acid breakdown for the MV. Packer-Leakage Test will be performed prior to returning the well back to injection status. Please see attached procedure.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Cherry Hlava TITLE **Regulatory Analyst** DATE **08/02/2006**

Type or print name **Cherry Hlava** Telephone No. **281-366-4081**

(This space for State use)

APPPROVED BY H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE AUG 25 2006

Conditions of approval, if any:

SJ Basin Well Work Procedure

Well Name: **GCU 307 (Water Disposal well)**
Date: **July 31, 2006**
Repair Type: **Abandon the PC and Acidize the MV**

Objective: Abandon the PC and Acidize the MV.

1. Pull completion.
2. Squeeze-off the PC.
3. Drill out cement and BP to re-enter the MV.
4. Perform acid breakdown.
5. TIH w/ completion.
6. Perform Northwest New Mexico Package-Leakage Test.

Pertinent Information:

Location:	T29N-R12W-Sec30	API #:	30-045-24248
County:	San Juan	Meter #:	FAC0000019 (MV)
State:	New Mexico	PC/MV	Engr: Sanggam Situmeang
	Horizon:		ph (505) 326-9263
			fax (505) 326-9251

Procedures:

1. Perform pre-rig site inspection. Check for size of location, gas taps, other wells, other operators, running equipment, wetlands, wash (dikes required), H2S, barriers needed for equipment, landowner issues, location of pits (buried lines in pits), raptor nesting, critical location.

2. Check ID wellhead, if earth pit is required have One Call made 48 hours prior to digging.

3. Have P&S strip location and set barriers as necessary. Lock out/tag out any remaining production equipment.

4. Contact BLM, NMOCD, EPA and Navajo UIC 24 hrs prior to performing PC squeeze-off operations, as well as prior to performing acid breakdown for the MV.

5. MIRU workover rig. Hold safety meeting and perform JSA. Complete necessary paperwork and risk assessment.

6. Check and record SS and LS tubing, casing, and bradenhead pressures. Ensure production casing has double casing valves installed. Double valve all casing strings. Check hold down pins on hanger.

7. Blow down SS to flow back tank. Kill with 2% KCl water ONLY if necessary. Check all casing strings to ensure no pressure exist on any annulus. Check LS and monitor for

indication of communication with casing annulus. Blow down LS and kill with 2% KCl if necessary. Set 2 barrier plugs in LS (in packer tail) if there are indications of communication.

8. Hang off polish rod on stuffing box in SS and remove horses head. Unseat pump. TOH Rods/Pump, inspect rods and pump for scale or wear.

9. Hold JHA and fill out permit for BOP critical lift. Test single mechanical barrier on annulus side if wellhead has raised neck hanger and bonnet test connection. ND wellhead. Install TIW valve on lifting pup in hanger. Strip on and NU BOP with offset 2 3/8" pipe ram. Test BOP.

10. Strip on and NU diversion spool, stripper head and other under balanced well control equipment.

11. POOH SS. Tally out of hole, check tubing for wear or scale. LD tubing if needed replacement.
    Note: SS tubing detail: 37 Jts 2 3/8" 4.7# J-55 EUE (1221.99'), 1 Jt SN: 2 3/8"x1.78" 8rd EUE (1.10') and 1 Jt 2 3/8" Muleshoe (16.10')

12. Unset Baker Lok-Set packer at 2699'. POOH with LS.
    Note: If packer is stuck, on/off tool located 1 jt above packer can be released.
    LS tubing detail: 87 Jts 2 3/8" 4.7# J-55 EUE-SC (2679.60'), 1 Jt "F" Nipple: 2 3/8"x 1.78" (0.93'), Packer: Retrievable 2 3/8"x7" (4.47')

13. TIH w/ bit & scraper to top of Baker Model D at 2928' and clean out if necessary.

14. TIH with a composite BP on tubing. Set BP at 1265'.

15. RIH with tubing open ended to top of BP at 1265'. Spot 23 sxs cement plug to fill from 1265' – 1220' to squeeze the Fruitland Coal perforations from 1246' – 1254'. Squeeze 14 sxs (3 bbl) into the Pictured Cliffs, leaving remaining 9 sxs in casing. Do not exceed frac gradient. Test casing to 500 psi.

16. POOH with tubing. PU bit x DC's. WOC.

17. RU air package. D/O cmt and BP at 1265'. C/O well to top of Baker Model D at 2928'.

18. TIH with 2 3/8" tubing, Arrow 32A Tension Packer and set packer at a top-set depth of 2770'.

19. RU Schlumberger chemical treaters. Bullhead down 2 3/8" tubing with 500 gallons of xylene, 1000 gallons 15% HCL, 500 gallons xylene, 1000 gallons 15% HCL, 500 gallons xylene, and 1000 gallons 15% HCL, according to Schlumberger treatment schedule. Maintain surface pressure below maximum surface pressure according to Schlumberger treatment schedule.

20. Monitor casing and tubing pressure. If pressures are satisfactory, unset packer and TOH w/ treatment string.

21. TIH with redressed packer and injection string. Hydrotest to 3000 psi, replacing any bad joints. Set Baker Lok-Set packer at 2699'.

22. Load tubing with LSW and establish injection rate while monitoring backside.

23. Hold JHA and fill out permit for BOP critical lift. ND and strip off diversion spool, stripper head and other under balanced well control equipment. ND and strip off BOP. Remove TIW valve and lifting sub. NU wellhead.

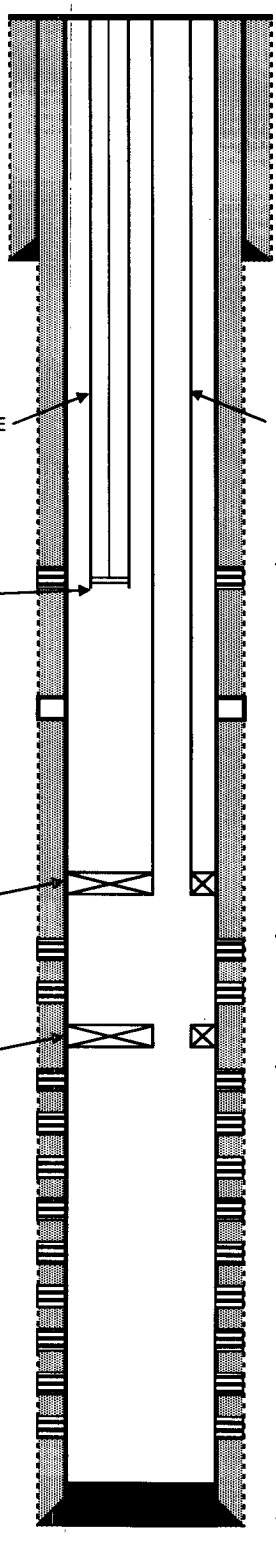
24. RDMO workover rig.

25. RU injection line. Perform Northwest New Mexico Packer-Leakage Test to verify mechanical integrity as follows:
    a. Contact OCD, EPA and Navajo UIC minimum of 72 hours prior to test.
    b. Record stabilized shut-in tubing and casing pressures.
    c. Initiate injection. Record tubing and casing pressures until stabilized pressures are achieved.
    d. Fill out Northwest New Mexico Packer Leakage Test form.

bp

Gallegos Canyon Unit 307
Pictured Cliffs / Mesa Verde SWD
API # 30-045-24248
T-29N, R-12-W, Sec. 30
San Juan County, New Mexico

G.L. 5360'
K.B. 5374'



13 3/4" Hole
9 5/8", 32.3#, H-40 @ 236'
Cmt w/ 300 sxs
(1st: 275 sxs, no return;
2nd: cemented from top w/ 25 sxs)

2 3/8", 4.7#, J-55, EUE

2 3/8", 4.7#, J-55, IPC

End of SS String @ 1253'
w/ 1.78" SN @ 1236'
(11/2002)

Pictured Cliffs Perforations
1246' - 1254', 1 SPF — Breakdown w/ 500 gals 7-1/2% Spearhead Acid; Frac w/ 400 gals 70Q Foam Pad, 20,000 gals 70Q Foam and 40,000# 10/20 sand (06/1980)

Stage tool @ 1480'

Baker Lok-Set Packer @ 2699'
End of LS String @ 2699'
w/ 1.78" F Nipple @ 2694'
On/Off Tool @ 2670' (11/2002)

Mesa Verde Disposal Perforations
2785' - 2830', ? SPF
2845' - 2886', ? SPF
Breakdown w/ 3,000 gals 7-1/2% Acid (09/1981)

Baker Model "D" Packer @ 2928'
w/ Flapper Valve (09/1981)

Mesa Verde Disposal Perforations
2952' - 2958', 2 SPF
2970' - 2978', 2 SPF
3003' - 3014', 2 SPF
3130' - 3142', 2 SPF
3188' - 3194', 2 SPF
3228' - 3252', 2 SPF
3260' - 3280', 2 SPF
3372' - 3386', 2 SPF
3480' - 3500', 2 SPF
Breakdown 3345' below w/ 2,000 gals 15% HCl w/ additive and 100 ball sealers
Breakdown 3160' - 3315' w/ 3,000 gals 15% HCl w/ additive and 150 ball sealers
Breakdown 2915' - 3100' w/ 2,000 gals 15% HCl w/ additive and 110 ball sealers
Frac w/ 87,220 gals slick water w/ 45,000# sand in 5 stages w/ Benzoic Acid and ball sealers between stages (06/1980)

End of LS String @ 5862'
(01/1986)

PBTD: 3975'
TD: 4023'

8 3/4" Hole
7", 20.0# & 30.0#, K-55 @ 4013'
Stage 1: 740 sxs
Stage 2: 500 sxs
(Good cement returned)

Packer-Leakage Test Rig Up Diagram: