

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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		DEC 06 2007
2. Name of Operator BP AMERICA PRODUCTION COMPANY		
3a. Address 200 ENERGY COURT, FARMINGTON, NM 87401	3b. Phone No. (include area code) 505 326 9425	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UNIT F, SECTION 28, TOWNSHIP 31N, RANGE 9W, 1450 FNL, 1800 FWL		

5. Lease Serial No NMNM91222
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No ROYAL JAN 8 '08 OIL CONS. DIV.
8. Well Name and No HORTON 2 DIST. 3
9. API Well No. 30-045-26990
10. Field and Pool, or Exploratory Area BLANCO P. C. SOUTH
11. County or Parish, State SAN JUAN, NEW MEXICO

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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SEASONAL
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	RESTRICTION
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	EXCEPTION

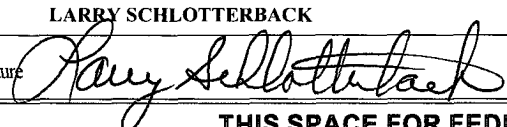
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 RESPECTFULLY REQUESTS CONSIDERATION TO ALLOW EXCEPTION TO THE SEASONAL RESTRICTION FOR DEER & ELK WINTERING FOR THE CAPTIONED WELL LOCATION, FOR NO MORE THAN FIVE (5) DAYS.

(PLEASE SEE ATTACHED WORKOVER PROCEDURE - P&A - AS REQUIRED BY BLM COMPLIANCE REGULATIONS)

WORK IS SCHEDULED TO START, APPROXIMATELY, 1/14/07 AND BE COMPLETED BY 1/23/2007.

IF YOU HAVE ANY QUESTIONS PLEASE CALL LARRY SCHLOTTERBACK @ 505 326 9425.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) LARRY SCHLOTTERBACK		Title FIELD ENVIRONMENTAL COORDINATOR
Signature 		Date 12/04/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____	Title _____	Date _____
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 _____	

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.

(Instructions on page 2)

NMOCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
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.

NM 016746

6 If Indian, Allottee or tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1 Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

RECEIVED

Name and No.

Horton 2

2 Name of Operator

BP America Production Company Attn: Cherry Hlava

NOV 18 2007

9 API Well No.

30-045-26990

3a. Address

P.O. Box 3092 Houston, TX 77253

3b. Phone No. (include area code)

281-366-4081

10. Field and Pool, or Exploratory Area

Blanco Pictured Cliffs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1450' FNL & 1800' FWL Sec. 28 T31N, R09W

11. County or Parish, State

San Juan County, New Mexico

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

TYPE OF SUBMISSION

☒ Notice of Intent

Subsequent Report

Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Deepen

☐ Production (Start/Resume)

☐ Water shut-Off

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Casing Repair

☐ New Construction

☐ Recomplete

☐ Other

☐ Change Plans

☒ Plug and Abandon

☐ Water Disposal

☐ Convert to Injection

☐ Plug Back

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 recompleat 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 recompleat in a new interval, a Form 3160-3 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 has reviewed the above mentioned well and finds no further recompleat potential. BP respectfully requests permission to plug and abandon said well.

Please find attached the P&A procedure. Should you have any questions please call Anne Fickinger @505-326-9483

14. I hereby certify that the foregoing is true and correct
Name (Printed/typed)

Cherry Hlava

Title **Regulatory Analyst**

Signature **Cherry Hlava**

Date **11/12/2007**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

PC

Date

NOV 26 2007

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

1-00

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.

OPERATOR

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 2 Horton

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.

3. The following modifications to your plugging program are to be made:

- a) Place the Kirtland/Ojo Alamo plug from 1800' – 1591'.
- b) Place the Nacimiento/Surface plug from 312' top surface.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.

SJ Basin Plugging Procedure

Well Name: Horton 2 - PC
Version: 1.0
Date: November 12, 2007

Objective: P&A for wellbore.

1. TOH with completion.
 2. Ensure wellbore is clean of obstructions.
 3. Pump cement plugs and remove wellhead.
-

Location:	T31N-R9W-Sec28	API #:	30-045-26990
County:	San Juan		
State:	New Mexico		
Horizon:	PC		
H2S:	0 ppm	Engr:	Anne Fickinger
CO2:	2.46%	Ph	(505) 326-9483
	Cell: (505) 486-9249		

Procedure:

1. Notify BLM and NMOCD 24 hours prior to beginning operations.
Henry Villeneuve @ (505) 334-6178, Ext. 17 or Charlie Perrin (ext 16).
BLM Contact (505) 599-8907
2. Perform second site visit after lines are marked to ensure all lines clear marked pit locations. Planning and scheduling to ready location for rig.
3. RU slickline unit or wireline unit. Pressure test lubricator and equipment. RIH and set two barriers (CIBP, tbg collar stop w/plug, or plug set in nipple) for isolation in tubing string.
4. Check and record tubing, casing, and bradenhead pressures. Ensure production casing has double casing valves installed. Double valve all casing strings.
5. MIRU workover rig. LOTO all necessary equipment including but not limited to: meter run, automation, separator, and water line.
6. Blow down casing to pit or flowback tank. Pump tubing capacity plus 5 barrels of 2% L64 of inhibited KCL water to displace any potential condensate in tubing string.
7. Blow down well.
8. RU WL unit. Pressure test lubricator and equipment with shut-in wellhead gas pressure. TIH and set two barriers (profile plugs, CIBPs or G-packoffs) for isolation of tubing string and to comply with DWOP double barriers.

12. Check all casing strings to ensure no pressure exist on any annulus. **The operations of removal of wellhead and installation of BOP's will be performed under a dispensation for one (1) barrier on the backside.**
13. Nipple down Wellhead. NU BOPs and diversion spool with 3" outlets and 3" pipe to the blow tank. Pressure test BOPs to 200 psi above BHP
14. Install stripping rubber, pull tubing hanger and shut pipe rams. Strip tubing hanger out of hole.
15. TOOH and LD 2-3/8" production tubing currently set at 5735'
16. RIH with workstring and set CIBP @ 2966'. Load well with fluid and pressure test casing. If casing does not pressure test, contact engineer for squeeze. Pump and displace 450' plug on top of CIBP. POOH. WOC. This should place cement over the Lewis/PC/FC formation.
17. RIH to 1800' and set a ^{Cement to 1591'} ~~450'~~ balance plug. POOH. WOC. This should place cement across the Ojo Alamo Formation.
18. RIH and perf 4-1/2" casing at ^{312'} 287'. Establish circulation from ^{312'} 287' to surface through 4-1/2" casing x 8-5/8" casing annulus. Pump and displace a ~~287'~~ plug from 287' to surface both inside and outside of the 4-1/2" casing. This should put cement across surface casing shoe all the way to surface
19. Perform underground disturbance and hot work permits. Cut off tree.
20. If cement cannot be seen on all annulus and casing strings remedial cementing will be required from surface.
21. Install 4' well marker and identification plate per BLM requirements.
22. RD and release all equipment. Remove all LOTO equipment.

Horton 2 - PC

Sec 28, T31N, R9W

API: 30-045-26990

6192' GR

History:

Completed well in 8/24/1988

Pictured Cliffs Perforations

3016-3100'

168 holes

8-5/8", 24# @ 237'

219 cu ft cmt circulated

DV @ 2445'

2-3/8" 1bg @ 3048'

4-1/2", 10.6# @ 3220'

1149 cu ft sacks cmt (cement Class G) cir 20 bbls to sfc

PBTD 3176'

TD: 3228'

Formation tops:

Ojo alamo 1850'

Fruitland 2660'

Picture Cliffs 3090'

Lewis 3187'

updated: 10/22/07 AF

Proposed P&A schematic

Horton 2 - PC

Sec 28, T31N, R9W

API: 30-045-26990

6192' GR

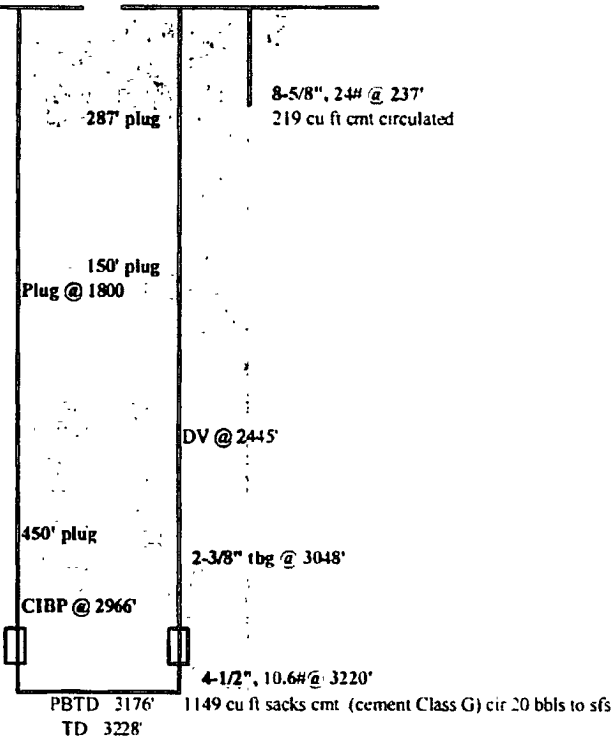
History

Completed well in 8/24/1988

Pictured Cliffs Perforations

3016-3100'

168 holes



Formation tops:

Ojo alamo	1850'
Fruitland	2660'
Picture Cliffs	3090'
Lewis	3187'

updated 10/22/07 AF

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work can be submitted with a Sundry Notice.

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location.

2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils may be remediated on-site according to these guidelines or disposed of in an approved disposal facility.

3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped to a minimum of 12" before seeding.

4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to detour vehicular travel. Access will be ripped to a minimum of 12" in depth and waterbarred prior to seeding. All erosion problems created by the development must be corrected prior to acceptance of release. Waterbars should be spaced as shown below:

% Slopes	Spacing Interval
Less than 20%	200'
2 to 5%	150'
6 to 9%	100'
10 to 15%	50'
Greater than 15%	30'

All water bars should divert to the downhill side of the road.

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required).

6. Notify Surfacing Managing Agency seven (7) days prior to seeding so that they may be present for that option.

7. The period of liability under the bond of record will not be terminated until the lease is inspected and the surface rehabilitation approved.

Other SMA's may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us.

On private land, we should be provided with a letter from the fee owner stating that the surface restoration is satisfactory.

**GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON FIELD OFFICE**

1.0 The approved plugging plans may contain variances from the following minimum general requirements.

1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.

1.2 Requirements may be added to address specific well conditions.

2.0 Materials used must be accurately measured. (densimeter/scales)

3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.

3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.

4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

4.1 The cement shall be as specified in the approved plugging plan.

4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.3 Surface plugs may be no less than 50' in length.

4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.

5.0 All cement plugs spotted across, or above, any exposed zone(s), when: the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.

5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.

- 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
- 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
- 6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.
- 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
- 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.
- 7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H₂S.
- 8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 1235 La Plata Highway, Suite A, Farmington, NM 87401. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.
- 9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.
- 10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.