(August 2007)

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Bureau of Land Management
Farmington Field Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANGEMENT

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.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5 Lease Serial No: **SF - 078046**

6 If Indian, Allottee or tribe Name:

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

1 Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

8 Well Name and No: **Hughes 1E**

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

9 API Well No: **30-045-25457**

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: **Basin Dakota & Blanco Mesaverde**

4 Location of Well *(Footage, Sec., T., R., M., or Survey Description)*: **790' FNL & 1520' FWL Sec. 21 T29N, R08W**

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	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other **Add perfs to DK & set PKR to isolate MV**
	☐ Change Plans	☐ Plug and Abandon	☐ Water Disposal	
Final Abandonment Notice	☐ 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 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

COMPLIANCE WELL

BP America respectfully requests to add additional perfs to the existing Basin Dakota formation BP also requests permission to isolate the Blanco Mesaverde by setting a production packer @ 5580'.

Should you have any technical questions please call Audrey Rasmussen @326-9485. For administrative questions please call Cherry Hlava 281-366-4081

14 I hereby certify that the foregoing is true and correct
Name (Printed/typed): Cherry Hlava | Title: Regulatory Analyst

RCVD MAY 12 '08
OIL CONS. DIV.
DIST. 3

Signature: *Cherry Hlava* | Date: 05/07/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: Original Signed: Stephen Mason	Title	Date: MAY 09 2008
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

NMOCD

SJ Basin Well Work Procedure

Well Name:	**Hughes 1E – MV/DK well**	**API #: 30-045-2545700**	
Date:	**May 6, 2008**		
Repair Type:	**Cleanout/ set packer to isolate MV**		
Location:	**T29N-R8W-Sec21C**		
County:	**San Juan**		
State:	**New Mexico**		
Horizon:	**Mesa Verder/Dakota**	**Engr: Audrey Rasmussen**	
		ph (505) 326-9485	

Objective: Remove tubing, Clean out wellbore, add perforations to the already existing Dakota zone, TIH and reland single string of tubing w/ packer between MV and Dakota zones, and return to production. Currently, the well is seeing interference in the MV zone by a nearby well, and therefore is unable to flow against line pressure. The MV zone is being adequately depleted via the Hughes B5A well, though the Dakota zone is not being produced to its full potential. Adding a production packer between the zones will allow the Dakota to buildup pressure and produce through the tubing string and with use of a plunger for deliquification.

1. TOH with 2-3/8" tubing string set @ 7388'. Inspect tubing, and replace as needed.
2. Tag for fill C/O to PBTD
3. Add perforations to the Dakota zone. Perfs: 7465'-7475'; 7495'-7505'; 7525'-7530';7542'-7547'
4. TIH with 2-3/8" tubing w/ 4-1/2" packer
5. Land tubing @ 7475', land 4-1/2"" packer @ 5580'
6. Return well to production.

Well History: Completed in 1983 as a Dakota only location. The MV was added and DHC in 2000, when the DK was still producing ~100 mscfd. The well was cleaned out in 2004, and tubing relanded. This well has declined rapidly since the Hughes B5A - MV well had compression installed in May 2006, and interference is suspected. Desired to add a production packer between the MV and Dakota Zones, and produce Dakota up the tubing.

Pertinent Information: Gas BTU content for this well is 1186; Sp gr. is 0.6952. Venting and Flaring document needs to be followed if BTU content is above 950.

Procedure:

1. Perform pre-rig site inspection. Check for: size of location, Gas Taps, other wells, other operators, running equipment, wetlands, wash (dikes req.), H2S, barriers needed for equipment. Landowner issues, location of pits (buried lines in pits), Raptor nesting, critical location, check anchors. Check ID wellhead; if earth pit is required have One Call made 48 hours prior to digging.

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. 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 well. Kill with 2% KCL water ONLY if necessary.

7. 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.**

8. 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. Monitor flowing casing pressure with gauge throughout workover.

9. Install stripping rubber, pull tubing hanger and shut pipe rams. Strip tubing hanger out of hole.

10. RIH and tag fill, then TOOH with 2-3/8" production tubing currently set @ 7388'. Visually inspect tubing while POOH, and notify engineer of any abnormalities.

11. RIH with bit and scraper for 4-1/2" casing and cleanout to PBTD @ 7605' with approved barrier. Check the distance between the top of the blind rams and the length of the bottomhole assembly that is being run. If the BHA is too long then the well has to be top killed and monitored prior to opening bind rams. Work casing scraper down 4-1/2" casing across DK perforations 7358'-7579' and POOH.

12. RIH with perforating gun and perforate (using HEG charges) the Dakota Formation with 2 spf, 120 degree phasing, spiraled from 7465'-7475'; 7495'-7505'; 7525'-7530';7542'-7547'.

13. Treat Dakota perforations with 15% HCL and flush with 2% KCL water.

14 If necessary, rig up air package/unit, pressure test all lines (testing procedure to be supplied from air company), TIH with tubing and bit for 4-1/2" casing. Cleanout fill to PBTD @ 7605'. Blow well dry. Reference Under-balanced Well Control Tripping procedure.

15. RIH with original 2-3/8" production tubing (if inspection is good),and 4.5" (full I.D. bore) production packer. (With muleshoe, 1.78" F-nipple with plug, 4 ft pup, 1.87" X-nipple with plug). If visual inspection failed, then RIH with 2-3/8" yellow band tubing.

16. Land 2-3/8" production tubing at 7475' and set permanent packer just below MV perforations @ 5580'. Lock down tubing hanger.

17. Pressure test tubing to 500 psi with air unit, make sure tubing spool valves are open. Care should be taken during pressure testing of the tubing due to potential problem caused if

tubing parts close to the surface. Check all casing string for pressure. **The operations of removal of BOP's and installation of wellhead will be performed under a dispensation for one (1) barrier on the backside.**

18. ND BOP's. NU Wellhead. During Master valve placement ensure the top of hanger has spacer nipple in place to bottom of bonnet flange so plunger equipment will not hang up through tree. Pressure test Wellhead.

19. RU WL unit. Run gauge ring for 2-3/8" tubing. Broach out any tight spots noticed in WL trip. Pull plugs and set tubing stop for plunger. Communicate plunger equipment status to operations team personnel.

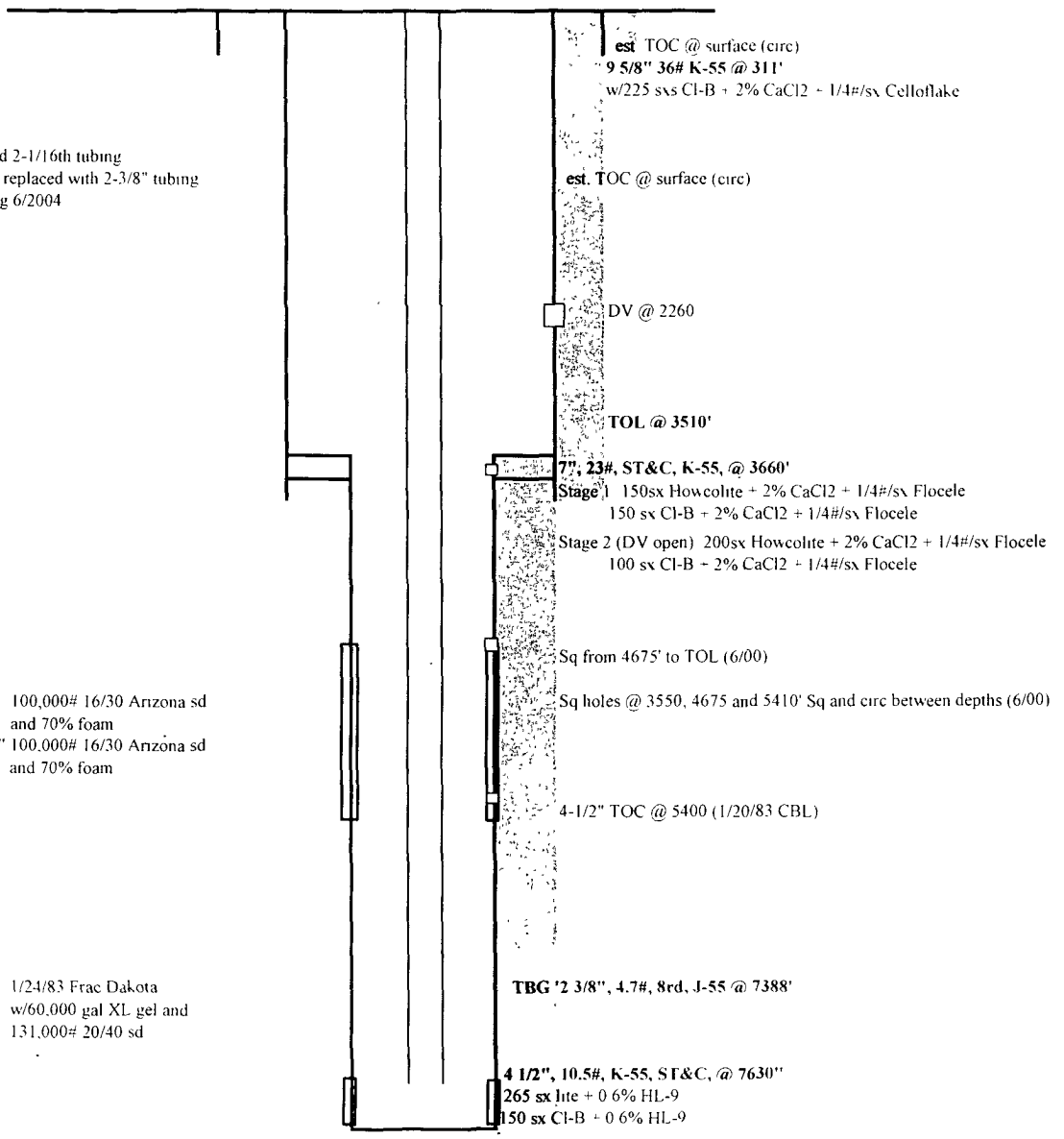
20. RD slickline unit.

21. Test well for air. Return well to production. RD and release all equipment. Remove all LOTO equipment.

22. Ensure all reports are loaded into DIMS. Print out summary of work and place in Wellfile. Discussion with production operations team about particulars of well when handing off the well file.

Current Wellbore Diagram

Hughes 1 E
API # 30-045-25457
Sec 21-T29N, R8W



History
Spud 12/23/82
Completed in DK Jan 1983 Used 2-1/16th tubing
Commingled w/ MV July 2000 - replaced with 2-3/8" tubing
Cleamout and repositioned tubing 6/2004

Mesaverde Perforations,

Cliffhouse 4698'-4830', Menefee 4885'-5095' Point lookout 5290'-5360', 5397' 5530',	100,000# 16/30 Arizona sd and 70% foam 100,000# 16/30 Arizona sd and 70% foam

Dakota Perforations (1 spf)

7358-62 7366-80, 7384-93, 7537-40, 7575-79 Acidized W/15% HCL (1/21/83)	1/24/83 Frac Dakota w/60,000 gal XL gel and 131,000# 20/40 sd

Updated 3/13/08 AR

Proposed Wellbore diagram