

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.*

FORM APPROVED
OMB No 1004-0135
Expires July 31, 2010

RECEIVED

5 Lease Serial No. **APR 20 2009**
SF 078904-A

6 If Indian, Allottee or tribe Name **Bureau of Land Management
Farmington Field Office**

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

2. Name of Operator

BP America Production Company Attn: Cherry Hlava

3a. Address

P.O. Box 3092 Houston, TX 77253

3b. Phone No. (include area code)

281-366-4081

8. Well Name and No.

Gallegos Canyon Unit 400

9. API Well No.

30-045-26288

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

1850' FNL 1850' FWL SENW Sec 25 T 28N & R 12W

11. County or Parish, State

San Juan, 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

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☒ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Water Disposal

☐ Water shut-Off

☐ Well Integrity

☒ Other **Restore to
Production**

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 recompletable 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 recompletable 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.

MAY COMPLIANCE WELL

As determined by slickline the above mentioned well has approximately 600' of fill in the tubing and needs to be cleaned out before the plunger can operate.

Current plan: pull tubing, clean out fill, set a bridge plug above DK perforations, **test casing to surface**, load fluid, pressure up.

If the casing holds there are 2 possible paths to take. First, if sufficient gas is present to indicate producing potential, the tubing will be re-landed and plunger equipment will be reinstalled and well put back on production. The second option is, if there is insufficient pressure available indicating very little gas is present after cleanout, then a bridge plug will be set above the DK perforations and the well will be temporarily abandoned. Temporary abandonment condition will give opportunity within 1 year for uphole Gallup/Manco evaluation & recompletable plans to be implemented.

It is BP's intent to meet the compliance deadline of May 31st. If the casing integrity test fails, BP respectfully requests permission to plug and abandon the well immediately. Please see the attached P&A procedure.

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

Cherry Hlava

Title Regulatory Analyst

RCVD APR 23 '09

OIL CONS. DIV.

Signature *Cherry Hlava*

Date 03/19/09

DIST. 3

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

APR 21 2009

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

4/30

SJ Basin Well Work Procedure

30-045-26288

Well Name: GCU 400 Dakota
Date: April 16, 2009
Repair Type: PXA
Location: T28N-R12W-Sec25 F
County: San Juan
State: New Mexico
P/L: Enterprise
Horizon: DK
CO2%:
H2S: None known

Gat Sys: CHACO
Engr: Nona Morgan
ph (281)-366-6207

Objective: Plug and Abandonment

1. TIH and pull out completion
 2. Cleanout wellbore
 3. Isolate wellbore to check casing integrity
 4. Run CBL of 7" casing & consult w/ NMOCD
 5. Set cement plugs to isolate intervals.
 6. Install markers.
 7. Rig down move out.
 8. Reseed location as necessary
-

Well History:

Spud date 1/22/1986; Complete 4/ 1986; IP 1.7 mmcf/d
Well on-production in 1994 for the first time after completion
Well Svc 6/1998 - Clean out fill; reland tubing @ 6178'
Last production was in May 2008

Current Status - Well is shut in and unable to produce. The well has never produced above 20 mcfd since it came on. However, after completing in 1986, it was shut in and was not turned on again until 1994. It is suspected that the well has never been allowed to clean up since it was frac'd in 1986. At this point it is believed irreparable damage has been done to the formation and at current gas prices, frac'ing and restimulating is not an option.

Note: Before proceeding with plans to Plug and Abandon well, discuss with engineer on details.

Procedure:

Preparations

Wellsite Preparations and Agency Notifications:

1. Notify the following Inspectors 48 hours before working on the well;

Charlie Perrin 505-334-6178 ext.11 or Kelly Roberts 505-334-6178 ext. 16 (NMOCD)
Steve Mason 505-599-6364 (BLM)
2. Perform pre-rig site inspection. Per Applicable documents, check for:
(1) size of location, (2) gas taps, (3) other wells, (4) other operators, (5) production

equipment, (6) wetlands, (7) wash (dikes requirements), (8) H₂S, (9) barriers needed to protect equipment, (10) landowner issues, (11) location of pits (buried or lines in pits), (12) raptor nesting, (13) critical location, (14) check anchors, (15) ID wellhead, etc. Allow 48 hours for One Call if earth pit is required.

3. Identify wellhead for proper flange connections and BOP equipment.
4. Work with GCU through CoW and w/P&S to develop a plan to move or temporarily relocate equipment that prohibits well servicing/plugging objectives.
5. Notify land owners with gas taps on well.
6. Perform second site visit after lines are marked to ensure all lines locations are clearly marked and that Planning & Scheduling has stripped equipment and set surface barricades as needed.
7. Properly lock out/tag out any remaining production equipment. Ensure all necessary production equipment is isolated (LOTO) including, but not limited to the meter run, automation, and separator, etc.

Initial Well Checks & Preparations:

- *Note this well has 7" production casing installed*
8. Check gas H₂S content and treat if the concentration is > or equal to 10 ppm/Treat for H₂S, if necessary per H₂S Wells NOTICE.
 9. MIRU workover rig. Conduct proper JHA and fill out permits. Complete necessary paperwork and risks assessment.
 10. Check and record tubing, casing and bradenhead pressures daily. Ensure production casing and bradenhead valves are double valved. Double valve all casing strings. Check lock down pins on hanger.
 11. Pressure test tree and hanger to 200 psi above SITP. Make up 3" flowback line, if necessary and blow down well. Kill with 2% KCL water or fresh water, as necessary. Check all casing strings to ensure no pressure exist on any annulus.
 12. RU slickline and RIH tag and locate fill inside tubing. From previous tag, fill is expected to be at 600'. POOH.

Completion Removal, Cleanout Wellbore & Pressure Test Casing

13. RU slickline and set mechanical barriers plugs/bpv in tubing and tubing hanger or install "G" packoff.
14. Blowdown and kill tubing and casing strings. RD slickline.
15. Nipple down Wellhead. Reference "No Dual Barrier in Annulus During All Well Servicing" dispensation. NU BOPs and diversion spool with 3" outlets and 3" pipe to the blow tank. Pressure test BOPs to 250 psi on the low end and on the high range at 1500 psi. Monitor

flowing casing pressure with gauge (with casing flowing to blow tank), if available, throughout workover.

16. Install stripping rubber. Pull tubing hanger up to rubber and shut pipe rams. Bleed pressure above rams. Pull stripping rubber and hanger up to floor. Remove hanger and replace stripping rubber.
17. Open rams and TOOH w/ 2-3/8 production tubing currently set at 6178'. PBTD 6360' Use approved "Under Balance Well Control Tripping Procedure". Visually inspect tubing while POOH. *(It is acceptable to use the existing tubing as workstring, if it appears to have good integrity based on normal inspection procedures. - WSL's discretion.)*
18. TIH w/ bit & scraper for 7" casing to the top of the Dakota perfs at 6176' and clean out.
19. RIH with 7" CIBP on workstring and set at 6141'.
20. Load hole and circulate out any produced fluids. Pressure test wellbore to 500 psi for 15 minutes. Monitor bradenhead for indications of communication while this is being done.
21. RU slickline and run Schlumberger CBL for 7" casing from 6141' to surface. RD slickline. Report casing load, cement quality, and pressure test results, bradenhead pressure and bleed details, and TOC to the BLM, NMOCD, and Production Engineer.

Spot Plug Locations and Pump Cement to plug off Dakota Productive Interval:

22. RIH with 2-3/8" open-ended workstring 6141'. Spot 300' or ~53 sacks - (70 cu. Ft.) of G-Class cement on top of CIBP from 6141-5841'. This will isolate the entire Dakota Gas bearing productive intervals. WOC.
23. Based on 7" CBL forthcoming results, it will be determined if and where cement will be required behind casing to squeeze off the Dakota, Gallup, Mesa Verde and PC/FT productive intervals.

The next steps listed below assume the TOC behind the 7" casing is available in sufficient quantities to surface to fully plug off the identified producing intervals from a depth of 5841' to surface. However, the order and detail of the next steps could change based on the casing pressure tests and CBL results. If necessary, a modified procedure that has been agreed upon by the NMOCD/BLM will be issued at that time to fully isolate and squeeze off any portion of the producing intervals where cement is found to be inadequate according to log reports. *The engineer should be consulted throughout the plugging and abandonment procedures. All CBL and pressure test results will be reported to the onsite NMOCD and BLM representatives.*

Set Cement Plug to Isolate & Plug off Gallup Productive Interval: No Perforations Present

24. RIH w/ 7" cement retainer and set @ 5780' in preparation to isolate and plug off Gallup production interval. POOH.
25. RIH with 2-3/8" open-ended workstring and spot 500' or ~89 sacks - (118 cu. Ft.) of G-Class cement on top of cement retainer from 5750' to 5250'. WOC. *It is assumed good cement behind pipe in this interval.*

→ Measure plug from 3319 - 3219'

Isolation of PC/FT Productive Interval: No Perforations Present

26. RIH w/ 7" cement retainer and set @ 1780' in preparation to isolate and plug off PC/FT production interval. POOH.
27. RIH w/ 2-3/8" open ended workstring and spot 400' or ~ 71 sacks- (95 cu ft) of G- Class cement on top of retainer from ~~1750-1850~~ 1708-1813'. WOC. *It is assumed good cement behind pipe in this interval.*

Set Cement Plugs to Isolate, Plug off & Squeeze Behind Pipe @ Shallow Zones near Aquifers

28. Based on 7" CBL forthcoming results, it will be determined if and where additional cement will be required behind casing to meet regulatory requirements to squeeze off the Ojo Alamo interval.
29. At this point however, it is being recommended to pump a cement squeeze behind pipe from 650' to surface'. (Ability to pump will depend on results from current CBL run) This will cover the Ojo Alamo behind pipe and the interval from top of cement (estimated) to surface.
30. RU wireline w/perforating gun to 680' and perforate 7" casing. POOH w/ gun and RD wireline.
31. RIH w/ 2-3/8" workstring and 7" cement retainer and set @ 670'.
32. Stab into retainer and squeeze 98 cu ft Class G cement or 81 sxs into annular space behind casing to surface to isolate Ojo Alamo.
33. Unsting from retainer and spot 300' (63 cu ft) G- Class cement on top of retainer. POOH w/ workstring. This will put cement across the Ojo Alamo aquifer intervals inside the 7" casing from 650-350'.

→ Plug 350' to surface

Final Plugging and Abandonment steps:

34. After completion of the above described or modified cementing procedures, If cement cannot be seen on all annulus and casing strings after removing wellhead, remedial cementing at the surface will be required.
35. Install 4' well marker and identification plate per NMOCD requirements.
36. RU slickline to remove all mechanical barriers and plugs. RD slickline.
37. RD service rig and release all equipment. Remove all Wells Team LOTO equipment.
38. Ensure all well work details and well bore equipment report are entered in DIMS. Print DIMS summary of work and wellbore diagram and put in well file. Notify Sherri Bradshaw and Cherry Hlava of completed P&A for final regulatory agency reporting and database clearing.
39. Submit work request to Planning and Scheduling to prepare location for reclamation and reseedling.

Current Wellbore



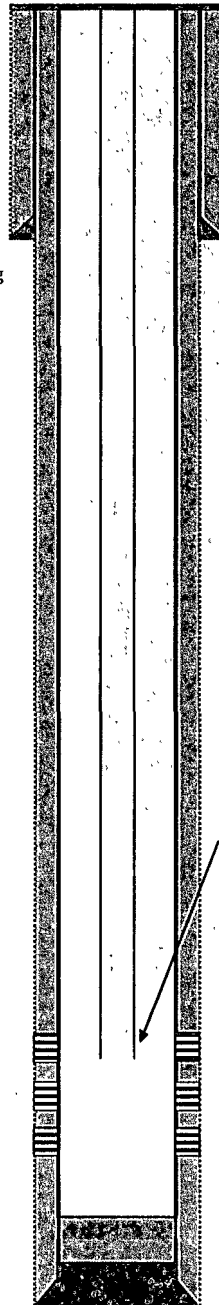
GCU 400
Dakota
API # 30-045-26288
Sec. 25, T28N, R13W
San Juan County, New Mexico

History

Spud date 1/22/1986
Well Svc. 6/1998 - Tag fill @6325'. CO & Reland tubing @ 6178'

Formation Tops

Ojo Alamo	490'
Kirtland	582'
Fruitland Coal	1380'
Ignacio	1500'
Cahn	1642'
PCCF	1660'
Chacra	2617'
Cliffhouse	3270'
Menefee	3300'
Point Lookout	4150'
Mancos	4410'
Gallup_M	5544'
GRNR	6085'
GRRS	6143'
TWLS	6177'
PGTE	6242'
CBRO	6294'
L. CBRO	6314'
ENCN	6344'
BRCN	6380'
MRSN	6402'



5850' GR
5862' KB

12-1/4" Hole
9-5/8", 36#, J-55 @ 347'
Cmt w/ 330 cu ft Class B Portland

Set DV Tool @ 3079'

2-3/8" EOT @ 6178' (6/1998)

Dakota Perforations

6176-6188' @ 2 jspf
6198-6204' @ 2 jspf
6242-6286' @ 2 jspf

Frac'd w/ 95,000 gal 70 Q foam & 130,000# 20/40 mesh brady sand

PBTD: 6360'
TD: 6428'

NFM (04/16/2009)

8-3/4" Hole
7" 23# & 26# K-55 set @ 6428'
Stage 1: Cmt w/ 254 cu. Ft Class B Portland; tailed in w/ 365 cu ft
Stage 2: Cmt w/ 674 cu ft. Class B Portland
Circulated cement to surface after both stages

Proposed PXA



bp

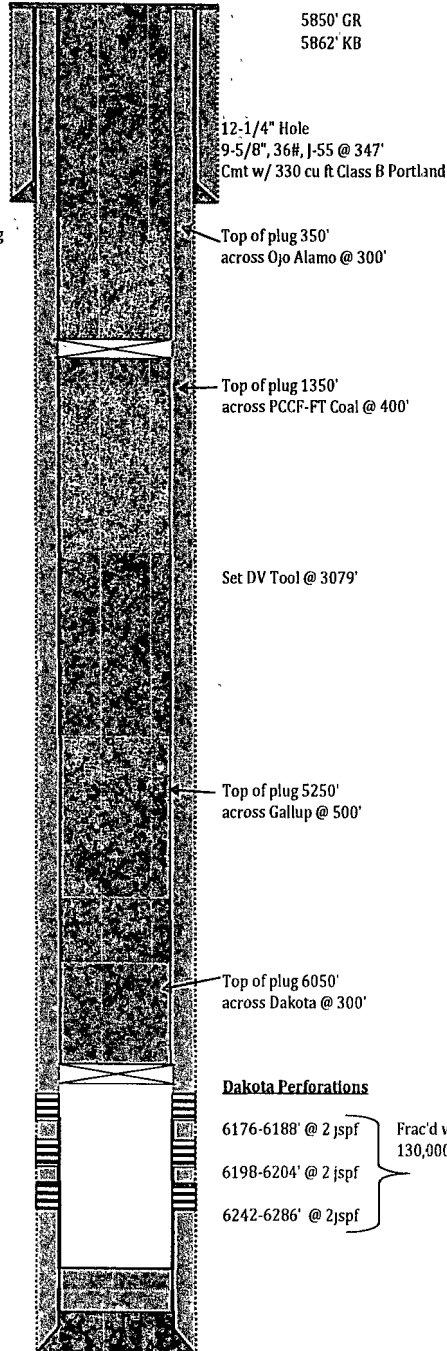
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5850' GR
5862' KB

12-1/4" Hole
9-5/8", 36#, J-55 @ 347'
Cmt w/ 330 cu ft Class B Portland

Top of plug 350'
across Ojo Alamo @ 300'

Top of plug 1350'
across PCCF-FT Coal @ 400'

Set DV Tool @ 3079'

Top of plug 5250'
across Gallup @ 500'

Top of plug 6050'
across Dakota @ 300'

Dakota Perforations

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6242-6286' @ 2 jspf

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7" 23# & 26# K-55 set @ 6428', 23# = jts?, 26# = jts?
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Stage 2: Cmt w/ 674 cu ft Class B Portland
Circulated cement to surface after both stages

Cement Quantities estimates

Assumed cement type: Class G: Class G @ 1.33 cu ft/sxs

Assumed 7" casing capacity for 26#/ft; ID = 6.276"; capacity = 0.2148 cu ft/ft

Assumed annular capacity for 7" csg inside 8-3/4" hole ==>0.1503 cu ft/ft

Productive Plug Interval	Interval range, ft	cu ft est. vol	vol + (cu ft) 10% xcess	cement density	# sxs required
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Dakota	300	64.44	70.88	1.33	53
Gallup	500	107.40	118.14	1.33	89
PCCF - FT	400	85.92	94.51	1.33	71
Ojo Alamo	300	64.44	70.88	1.33	53
Ojo Alamo sqz	650	97.70	107.46	1.33	81

Estimated Top of Cement: (will have to be adjusted once results of CBL are known)

behind casing

cement type is Class B Portland 0% bentonite ; slurry vol = 33.41 L/sxs (METRIC)

convert to English units: factors 3.7854 gal/L & 0.13368 cu ft./gal

volumetric capacity ; 0.2148 cu ft/ft

From wellbore completion data:

Stage #	Initial cu ft	Tail cu ft	cement top1	cement top 2	total cement footage	estimate of cement top (ft)
stage 1	254	365	2881.75047			
stage 2	674			3137.803		
Total					6019.553	
est top						340.447

**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: 400 Gallegos Canyon Unit

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 Mesaverde plug from 3319' – 3219'.
 - b) Place the Pictured Cliffs/Fruitland plug from 1708' – 1313'.
 - c) Place the Surface plug from 350' to 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.