Form 3160-5
(August 2007)

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5 Lease Serial No.
NMSF078095

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
CASE B 1

2. Name of Operator
BP AMERICA PRODUCTION CO.
Contact: CHERRY HLAVA
E-Mail: hlavacl@bp.com

9 API Well No.
30-045-11006-00-S1

3a Address
200 ENERGY COURT
FARMINGTON, NM 87401

3b Phone No. (include area code)
Ph: 281-366-4081

10. Field and Pool, or Exploratory
BLANCO MESAVERDE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 5 T31N R11W SESW 0990FSL 1650FWL
36.92268 N Lat, 108.01588 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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 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)

The above mentioned well failed a 2009 Bradenhead test. The well has substantial wellbore integrity issues and during the process of a squeeze job, this week, further integrity issues were encountered.

BP respectfully request permission to P&A the entire wellbore.

Please see the attached P&A procedure.

RCVD MAY 21 '10

OIL CONS. DIV.

DIST. 3

Notify NMOCD 24 hrs prior to beginning operations

H_2S POTENTIAL EXIST

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

Electronic Submission #86685 verified by the BLM Well Information System
For BP AMERICA PRODUCTION CO., sent to the Farmington
Committed to AFMSS for processing by STEVE MASON on 05/20/2010 (10SXM0192SE)

Name *(Printed/Typed)* CHERRY HLAVA — Title REGULATORY ANALYST

Signature (Electronic Submission) — Date 05/19/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON — Title PETROLEUM ENGINEER — Date 05/20/2010

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 Farmington

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

BP - San Juan Wellwork Procedure

Case B1- MV Intermediate P&A Procedure (Version 2)

General Information:

Formation:	MV	**Job Objective:**	P&A
Project #:		**Date:**	**5/18/2010**
Engineer:	Jesse Gracia	**p.** 281.366.1946	**c.** 713-828-0715
Production Contact:	Rocky Deromedi	**p.** 505.326.9471	**c.** 505.486.0942
Optimizer:	Mike Mcmahen	**p.** 505.326.9231	
Backup Engineer:			

Well Information:

API Number:	30-045-11006
BP WI:	
Run #:	
Surface Location:	Sec. 5, T31N, R11W
Meter Number:	70573
Well FLAC:	
Cost Center:	
Lease FLAC:	
Restrictions:	N/A
Regulatory Agency:	BLM & NMOCD
Compressed (Y/N):	Y

Production Data:

Tubing Pressure:	32-73 psi
Casing Pressure:	50-73 psi
Line Pressure:	175 psi
Pre-rig Gas Rate:	80 MCFD
Anticipated Uplift:	0 MCFD
Water Rate:	0.5 to 1 BWPD
CO2 (%):	1.215
H2S (PPM):	N/A
Gas BTU:	1141
Artificial Lift Type:	Plunger (see details)

Basic Job Procedure:

1. POOH with 2 3/8" tubing.
2. Run Log to determine TOC of 4-1/2" casing.
3. Perform necessary remedial work.
4. Run in hole with 2 3/8" tubing and land at 5160' (depending on hole conditions; if collapsed land tubing @ 4988' – discuss with engineer)

Safety and Operational Details:

ALL work shall comply with DWOP E&P Defined Operating Practice.

The open hole may have partially collapsed due to wireline tag. Do not pull over 75% tubing strength (~50,000 lbs) without contacting engineering to discuss options . Tubing looks to be around 6 years old.

Superseal plunger and equipment in well - new 2 slip stop @ 5153. Fish plunger and equipment, before setting plugs. Save any scale samples if recovered on equipment.

Well History:
The Case B1-MV was completed in 9/1953 as an open hole. The SITP at the time was 674 psi. The well was next intervened in 11/2002 to retrieve a fish. The wellbore was also cleaned out to 5260' (which is different PBTD). The last intervention occurred in 7/2004. Wireline was done in 11/2009. Old 2 slip stop was removed and no fluid was found. 1.61" impression block tagged at 5172' (EOT!). RIH with sample bailer and retrieved no sample. Worked several times. Hard packed. RIH with SB running tool and set new 2 slip stop @ 5153'. Dropped plunger back in well. Casing opened 12/16 – 12/17 to determine if open hole was completely collapsed. Production did not indicated a completely collapsed wellbore.

Standard Location Work:

1. From current wellbore conditions
2. Continue to work to fix 4 ½" x 7" annulus pressure communication.
3. Drill out cement plugs at 2215' and 2700' down to stop of RBP.
4. Wash out sand and retrieve RBP.
5. Place/Squeeze Class G cement into OH section to P&A the OH MV section.
   (Will require 100% excess cement. OH diameter is unknown and assumed to 6 ¼")
   - Capacity of 6 ¼" : 0.2046 ft3/ft
   - Plug 100' + 100% excess → 41 ft3
6. Spot 672' plug from 5000' to 4328' to P&A the MV section.
   (50' excess included)
   - Capacity of 7" : 0.2273 ft3/ft
   - Capacity of 4 ½" : 0.0873 ft3/ft
   - Plug from 5000' to 4985' → 15 → 3.5 ft3
   - Plug from 4985' to 4328 → 657' → 57.4 ft3
7. WOC (4 hrs) Tag cement to ensure top is at least 4328'
   Check plug 3552' - 3452' inside 4½" & outside 7" casing.
8. Spot 820' plug from 2882' to 2062' to P&A the FT-C and PC section
   (50' excess included)
   - Capacity of 4 ½" : 0.0873 ft3/ft
   - Plug from 2882' to 2062' → 820' → 71.6 ft3
   1219' 1119'
9. Spot 225' plug from ~~1100~~' to ~~875~~' to P&A the Kirtland ~~and Ojo Alamo~~ section
   (50' excess included)
   - Capacity of 4 ½" : 0.0873 ft/ft
   - Plug from 1100' to 875' → 225' → 19.6 ft3
10. Perforate 216'. Try to establish circulation through 4 ½" x 7" annulus to surface.
11. Spot surface plug from 216' to surface inside (and outside if we get circulation)
    - 216' → 19 ft3 (inside 4 ½" casing)

12. Perform underground disturbance and hot work permits. Cut off tree. **If cement cannot be seen on all annulus and casing strings remedial cementing will be required from surface.**

13. Install well marker and identification plate per regulatory requirements. Dry hole marker should contain the following: (Please confirm with sundry notice)

    BP American Production Co.
    Case B 1
    API 30-045-11006
    Unit letter N, Sec 5, T31N, R11W
    290 FSL, 1650 FWL
    San Juan, NM
    Mesaverde Formation
    Federal Lease number: NM 076095
    P&A date - TBD

14. RD and release all equipment. Remove all LOTO equipment.

15. Ensure all reports are loaded into OPENWELLS. Print out summary of work and place in Well file. Notify Sherri Bradshaw (326-9260) of completed P&A and Cherry Hlava.

16. Perform pre-rig site inspection, size of location, gas taps, other wells, other operators, running equipment, wetlands, wash, H2S barriers if needed for equipment. Landowner issues, buried lines in pits, raptor nesting, critical location, check anchors. Check ID wellhead, determine if equipment is acceptable or obsolete and replace if necessary, if digging is required have One Call made 48 hours. Follow ground disturbance policy.

C ~e B #1

T31. .11W, Sec 5

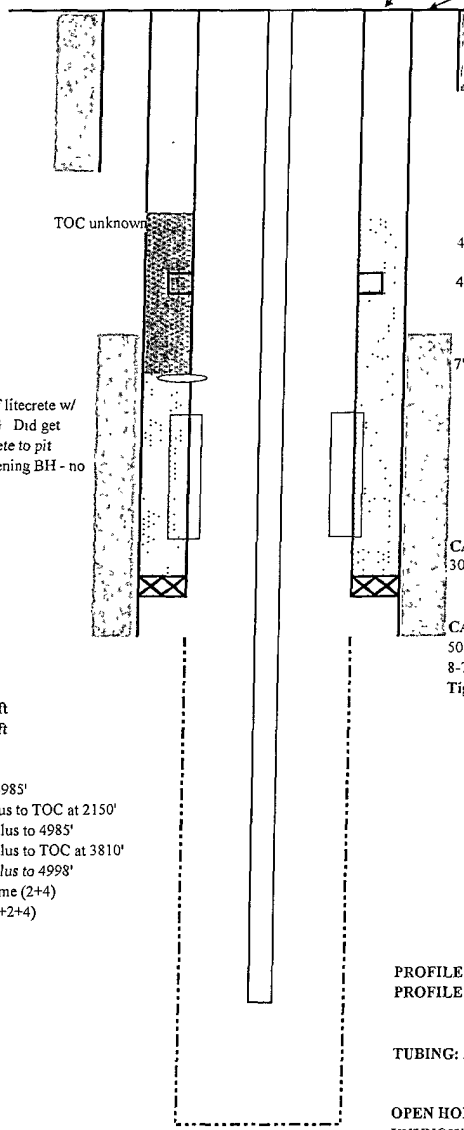
API # 30-045-11006

Builds up to 144 psi in 5 minutes, litecrete fell ' ⁵ (probably below 800-1100 ft)

does blow down to 10 psi

Bradenhead = 0 psi

GL 6191'



9-5/8" TOC @ surface (circ)

So if have hole about 800 ft

CASING: 9-5/8" 25.4# J-55 @ 166'

125 sxs cmt — 0 0208 bbl/ft — 1169 ft3/ft

??" hole — 16 64 bbls — 94 ft3

HISTORY

8/1953 Spudded well

9/1953 Completed MV

9/1953 SITP = 674 psi

11/2002 Fish in open hole

11/2002 *Cleaned out to 5260'*

7/2004 Added 4-1/2" liner

CLEAN OUT OPEN HOLE LEFT 55' OR SO OF 2-3/8" TBG

TOC unknown

4-1/2" TOC @ 2150' (USIT 8/2004) - don't believe

4-1/2" DV Tool @ 3420'

7" TOC @ 3810' (CBL 7/2004)

Squeeze @ 4630

pumped 30 bbls of litecrete w/ 50 sxs of class G Did get *returns of Litecrete to pit* then finished opening BH - no returns from BH

Assumptions

9 146" hole size

0 20482376 bbl/sk *cement yield*

0 0336593 bbl/ft annular volume

39% efficiency

CASING: 4-1/2" 11.6# J-55 @ 4985'

306 sxs cmt (1st 90 sxs, 2nd 216 sxs)

CASING: 7" 20# J-55 @ 4998'

500 sxs cmt

8-7/8"" hole

Tight spots @ 4725' & 4387'

sq @ 4620

450 sxs lite-crete

pumped 30 bbls lite-cretew

50 sxs of G as tail

did circulate 30 bbls of litecrete to pit

finished circulating out of BH

No cement out of BH

4-1/2" Casing = 0 0155428 bbl/ft

7" x 4-1/2" Annulus = 0 0208176 bbl/ft

9-5/8" x 7" Annulus = 0 0336593 bbl/ft

1) 78 bbl volume in 4-1/2" casing to 4985'

2) 45 bbl volume in 7" x 4-1/2" annulus to TOC at 2150'

3) 104 bbl volume in 7" x 4-1/2" annulus to 4985'

4) 129 bbl volume in 9-5/8" x 7" annulus to TOC at 3810'

5) 169 bbl volume in 9-5/8" x 7" annulus to 4998'

approximately 174 bbl of annular volume (2+4)

approximately 252 bbl total volume (1+2+4)

MESAVERDE:

4720' - 4970' (MENF)

5068' - 5268'

800 qts nitro

PROFILE: X-Nipple @ 5162' (ID = 1.875")

PROFILE: F-Nipple @ 5167' (ID = 1.780")

TUBING: 2-3/8" 4.7# J-55 @ 5170'

OPEN HOLE: 4998' - 5268'

UNKNOWN HOLE DIAMETER

FISH: 55' of 2-3/8" tubing in open hole - can't tag down

PBTD 5223'

TD 5268'

Formation Tops	
Ojo Alamo	975'
Kirtland	1050'
Fruitland	2162'
Pictured Cliffs	2832'
Cliffhouse	4428'
Menefee	4621'
Point Lookout	*5066'*

Updated 4-28-10 AH

NOTES

Intermediate build up in 5minutes is 144

Definite bad casing 500-1100' in 7" casing

Issues about false readings on 4-1/2" USIT reading.

Lots of notes about sand

H2S came out of Bradenhead - stall water probably

Bradenhead test form 7-14-08 intermediate built up to 144 in 5 minutes Initial was 260 psi

Wireline from 11/10/09 indicates the hole may be collasped.

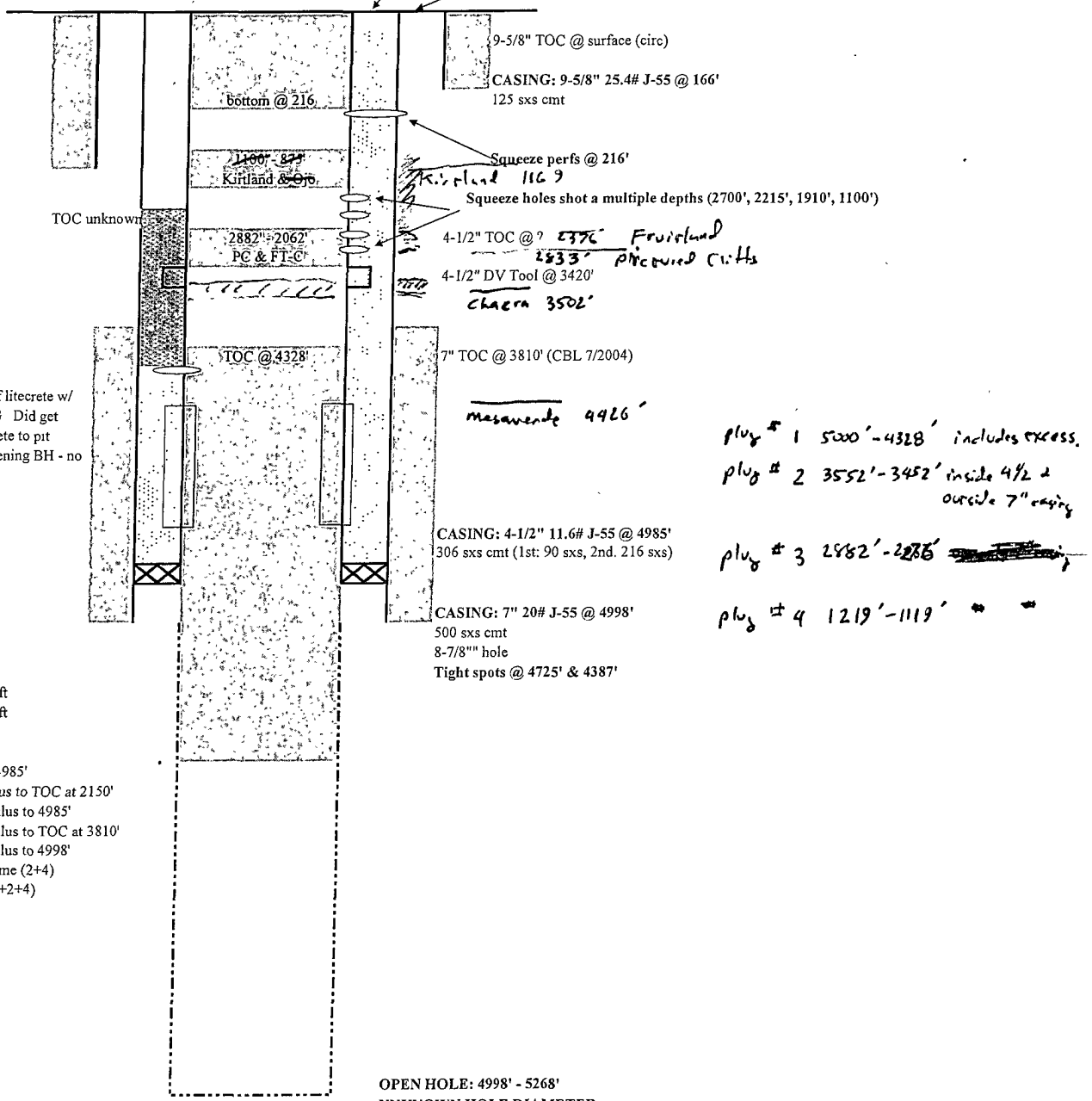
Does have x and f nipple

Proposed

Case B #1

T31N, R11W, Sec 5

API # 30-045-11006



HISTORY:
8/1953 Spudded well
9/1953: Completed MV
9/1953: SITP = 674 psi
11/2002: Fish in open hole
11/2002: Cleaned out to 5260'
7/2004: Added 4-1/2" liner
CLEAN OUT OPEN HOLE LEFT 55' OR SO OF 2-3/8" TBG.

4-1/2" Casing = 0 0155428 bbl/ft
7" x 4-1/2" Annulus = 0 0208176 bbl/ft
9-5/8" x 7" Annulus = 0.0336593 bbl/ft

1) 78 bbl volume in 4-1/2" casing to 4985'
2.) 45 bbl volume in 7" x 4-1/2" annulus to TOC at 2150'
3) 104 bbl volume in 7" x 4-1/2" annulus to 4985'
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approximately 174 bbl of annular volume (2+4)
approximately 252 bbl total volume (1+2+4)

MESAVERDE:
4720' - 4970' (MENF)
5068' - 5268'
800 qts. nitro

Formation Tops:

~~Ojo Alamo~~	~~975'~~
Kirtland	~~1050'~~ 1169
Fruitland	~~2162'~~ 2376
Pictured Cliffs	2837' 2233'
Cliffhouse	4428' 4926'
Menefee	4621'
Point Lookout	5066'

Chacra 3502'

Updated: 5-18-10 JG

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: 1 Case B

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 a cement plug from 3552' – 3452' to cover the Chacra top inside the 4 ½" casing and outside the 7" casing.

b) Place the Pictured Cliffs/Fruitland plug from 2882' – 2276' inside the 4 ½" casing ~~and outside the 7" casing~~.

c) Place the Kirtland plug from 1219' – 1119' inside the 4 ½" casing ~~and outside the 7" casing~~.

d) You are required to have H2S monitoring equipment and personnel on location during plugging operations.

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.