

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.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF078109
2. Name of Operator BP AMERICA PRODUCTION CO		6. If Indian, Allottee or Tribe Name EASTERN NAVAJO
Contact: CHERRY HLAVA E-Mail: hlavacl@bp.com		7. If Unit or CA/Agreement, Name and/or No. NMNM78391A
3a. Address 200 ENERGY COURT FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 281.366.4081	8. Well Name and No. GALLEGOS CANYON UNIT 322
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T29N R12W SENE 1790FNL 1165FEL 36.68523 N Lat, 108.13440 W Lon		9. API Well No. 30-045-24626-00-S1
		10. Field and Pool, or Exploratory WEST KUTZ PICTURED CLIFFS
		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			
<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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleate 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 recompleation 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.)

BP finds no further uphole potential for the above mentioned well. BP respectfully requests permission to P&A the entire wellbore.

Please see the attached plugging procedure.



14. I hereby certify that the foregoing is true and correct. Electronic Submission #95959 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 10/28/2010 (11SXM0836SE)	
Name (Printed/Typed) CHERRY HLAVA	Title AGENT
Signature (Electronic Submission)	Date 10/28/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>STEPHEN MASON</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>10/28/2010</u>
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 <u>Farmington</u>

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.

SJ Basin Well Work Procedure

Well Name: GCU 322 API#: 30-045-24626
Date: October 26, 2010
Repair Type: P&A
Location: Unit H-T29N-R12W-Sec31
County: San Juan
State: New Mexico
Engr: David Wages Ph: 281-366-7929 Cell: 406-231-4679
BM Engr: Nona Morgan Ph: 281-366-6207
Prod. TL: Kenny Anderson Ph: 505-326-9495

Well Information:

API Number: 30-045-24626
BP WI: _____
Run #: _____
Unit L-Sec 31-T28N-
Surface Location: R12W
Meter Number: 93804
Well FLAC: _____
Cost Center: _____
Lease FLAC: _____
Restrictions: Sept Compliance
Regulatory Agency: BLM & NMOCD
Compressed (Y/N): N

Production Data:

Tubing Pressure: 0 psi
Casing Pressure: 3 psi
Line Pressure: 0 psi
Pre-rig Gas Rate: 0 MCFD
Anticipated Uplift: N/A
Water Rate: 0
CO2 (%): 0.91
H2S (PPM): 0
Gas BTU: 1025
Artificial Lift Type: Beampump

Budget and Work Order Information

Rig Budget: _____ Total AFE Amount: _____
P&C Budget: _____ AFE #: _____

Prepared By: _____

Reviewed By: _____

Approved By: _____

Policy Reminder

Any changes to the written procedure requires an MOC
MOC (except BoD/SOR) approvals during execution have been
delegated to the OTL

Objective: P&A for wellbore.

1. Ensure wellbore is clear of obstructions.
2. Pump cement plugs and remove wellhead.

Well History:

Spud date 2/16/1981

Well Servicing 7/1996 - Replace holey tubing

Well Servicing 1/1998 - Hole in 45th jt. Replaced 2 jts of tbg

Well Servicing 5/1999 - Replace entire string of tubing

Well Servicing 8/2001 - C/O & replace holey tubing

Well Servicing 9/2003 - Replace rod cut tubing. Replace 58 rods

Well Servicing 7/2004 - Replace 3 jts of tubing

Workover 5/2006 - C/O fill & replace rod cut tubing

Well Servicing 1/2008 - Replaced holey tubing, ran guided rods

Note: Will use Class G neat cement or Type III cement to P&A this well.

Completion Information

End of Tubing:	<u>1495'</u>	Tubing Size	<u>2-3/8"</u>
Liner Size and Top:	<u></u>	Casing size	<u>4-1/2"</u>
PBTD:	<u>1605'</u>		

P&A Procedure:**Standard Site Preparations**

1. Perform pre-rig site inspection. Per Applicable documents, check for:
 - Size of location,
 - Gas taps,
 - Other wells,
 - Other operators,
 - Production equipment,
 - Wetlands,
 - Wash (dike requirements),
 - H2S,
 - Barriers needed to protect equipment,
 - Landowner issues,
 - Location of pits (buried or lines in pits),
 - Raptor nesting,
 - Critical location,
 - Check anchors,
 - ID wellhead, etc.
 - Allow 48 hours for One Call if earth pit is required.
2. Identify wellhead for proper flange connections and BOP equipment.

3. Work with San Juan through CoW and w/P&S to develop a plan to move or temporarily relocate equipment that prohibits well servicing/plugging objectives.
4. Notify land owners with gas taps on well.
5. 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.
6. Ensure all necessary production equipment is isolated (LOTO) including, but not limited to the meter run, automation, and separator, etc.
7. Have wellhead ID'd by wellhead company. Wellhead company to work lock-down pins, wellhead bolts (one at a time), and use hand pump to pressure test hanger and secondary seals to wellhead working pressure if wellhead is so designed.

Initial Well Checks & Preparations:

8. Notify BLM and NMOCD 24 hours prior to beginning P&A operations to ensure scheduling of personell to witness CBL results and cement placement.
9. Check gas H2S content and treat if the concentration is > or equal to 10 ppm/Treat for H2S, if necessary per H2S Wells NOTICE.
10. Fill out hot work permit for spotting rig to wellhead. MIRU workover rig. Complete necessary paperwork and risk assessment.
11. Check and record tubing, casing and bradenhead pressures and record in OpenWells daily.
12. BLOWDOWN braden head (BH) pressure as required, especially if there is *evidence of communication between the production casing and bradenhead or the well has a history of bradenhead pressure problems.*
13. Record pressure and notify engineer if tubing pressure exceeds 50 psi or if there is any water or gas flow.
14. Ensure production casing and bradenhead valves are double valved. Follow guidelines as directed by DWOP.
15. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover.
16. Make up flowback line.

Completion Removal

17. Hang off polish rod on stuffing box and remove horses head.
18. Pump tubing capacity with fresh water or 100% magnesium chloride to load tubing. Test stroke pump to 500 psi if tubing will load. **Note:** If tubing will not load or goes on vacuum after loading, then hole in tubing or pump shoe problem is indicated.
19. Install run-in Radigan and rod table.
20. Unseat pump and TOOH Rods/Pump. Inspect rods and pump for scale or wear. *Watch lower rods (near EOT) closely for signs of wear on rods (and guides). Consult with Engineer before changing rods out. LD rods as necessary.
21. RU SL using Slickline NOP for San Juan.
22. Pressure test lubricator to 250 psi low side and 1000 psi high side, each for 5 minutes. Record in Open Wells.
23. RIH and set plug in "F" nipple @ ~1490
24. Release pressure on tubing to test plug.
25. Kill casing strings if necessary.
26. RD slickline.
27. Hold JHA and fill out permit for critical lift of raising derrick and scoping up top section. Rig up unit.
28. Hold JHA and fill out permit for nipling down wellhead tree and nipling up BOP critical lift. ND wellhead and install 2-way check valve and adapter in top of hanger.
29. NU BOPs and diversion spool with outlets and flowback lines to the blow down tank tank. Inspect flowcross for significant wear or erosion prior to NU.
30. Rig up floor, tongs, and slips.
31. Pressure test BOPs to 250 psi on the low end for 15 min and on the high range at 1500 psi for 15 minutes.

32. Install stripping rubber, unscrew lock-down pins on tubing head, open pipe rams, and pull hanger to bottom of stripper rubber. Close pipe rams, bleed off pressure between stripper rubber and pipe rams, then release stripper rubber from stripper head and pull hanger to rig floor. Unscrew and lay down tubing sub.
33. RU wellhead lubricator.
34. Pull two way check. Open bleed-off valve on lubricator and bleed down any pressure that may be present. RD lubricator. Install stripper rubber.
35. RU SL and pressure test lubricator to 250 psi low side and 1000 psi high side, each for 5 minutes. Record in OpenWells.
36. RIH and pull stops and plugs.
37. RD SL.
38. Kill well. Pump water as necessary to keep well dead.
39. Trip out of the hole with old tubing. It is acceptable to use old tubing as workstring. Check tubing while POOH for wear.
40. If unable to pull tubing then discuss options with WIE.
41. Makeup the following BHA:
 - Bit for 4 1/2" casing
 - Scraper for 4 1/2" casing
 - String float.
 - Workstring
42. RIH with BHA to top of MV perforations.
43. RU e-line. Run gauge ring for 4-1/2" casing (ID=4.052") down to top of perms to ensure wellbore is clear and CIBP will set. RIH w/ CIBP and set +/-50' above perforations +/- **1388'**.
44. Load well with fluid and pressure test casing to 500 psig. This will confirm the integrity of the casing and CIBP.
45. Run CBL to determine cement top behind 4-1/2". Based on cement top it will be determined where perforations and cement placement behind casing will be required to properly P&A well. Contact Engineer to discuss steps forward. Top of cement is estimated at surface based on well history. Report CBL results to regulatory agencies and engineer. **The order and detail of the next steps could change based on the CBL results but assumes cement does not cover the Ojo Alamo zone.**
46. RIH w/ workstring and spot **438'** (~7 bbls, 40 cu ft) plug on top of CIBP (+/- **1388'**). This should P&A the Fruitland coal and Pictured Cliffs formations from **950'-1388'**. POOH.
47. Based on CBL results, RU wireline w/ perforated gun. RIH to +/- **308'** and perforate 4-1/2" casing and POOH with guns. RD wireline.
48. Pending CBL results, establish circulation up 4-1/2" annulus, pump **14.5 bbls (81 cu ft)** down production casing. If CBL shows good cement to surface, pump 5 bbls cement inside 4-1/2" casing. Pump excess cement as necessary. This will put cement across the Ojo Alamo water producing interval and below the surface casing shoe.
49. Perform underground disturbance and hot work permits. Cut off tree.
50. If cement cannot be seen on all annulus and casing strings remedial cementing will be required from surface. Watch for cement fall back or seepage. All annulus and casings must be full of cement with no fall back prior to installing abandonment marker.
51. Install well marker and identification plate per BLM requirements.
52. RD and release all equipment.
53. Ensure all reports are loaded into DIMS. Print out summary of work and place in well file. Notify Sherri Bradshaw of completed P&A.

Current Wellbore



Gallegos Canyon Unit 322
 Pictured Cliffs
 API # 30-045-24625
 T-29N, R-12-W, Sec. 31
 San Juan County, New Mexico

G.L. 5543'
 K.B. 5545'

Well History

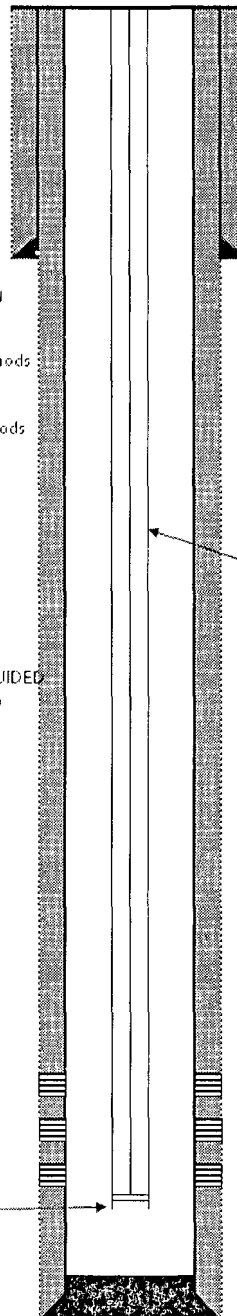
Spud date 2/16/1981
 Well Servicing 7/1996 - Replace hole tubing
 Well Servicing 1/1998 - Hole in 45th ft. Replaced 2 jts of tbg
 Well Servicing 5/1999 - Replace entire string of tubing
 Well Servicing 8/2001 - C/O & replace hole tubing
 Well Servicing 9/2003 - Replace rod cut tubing. Replace 58 rods
 Well Servicing 7/2004 - Replace 3 jts of tubing
 Workover 5/2006 - C/O fill & replace rod cut tubing
 Well Servicing 1/2008 - Replaced hole tubing, ran guided rods

Rod Details (1/2008)

ROD, POLISHED: 1.25
 RODS, PONY: 0.75 GRD. D
 RODS, PONY: 0.75 GRD. D
 RODS, PONY: 0.75 GRD. D
 RODS, PONY: 0.75 GRD. D
 RODS: 0.75 X 2.5 GRD. D
 RODS: 0.75 X 2.5 GRD. D, GUIDED
 PUMP, RWAC, 2.0 X 1.5 X 10

Estimated Formation Tops

Kirtland 80'
 Fruitland 1060'
 Pictured Cliffs 1345'
 Total Depth 1600'



9 7/8" Hole
 7", 17.0#, R-3 @ 124'
 Cmt w/ 50 sxs Class B w/ 2% CaCl₂ + 1/4# floccel/sk

Deviation Report	
Depth	Deviation
700	2.1/2 deg

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

Tubing Details (1/2008)

TUBING HANGER, 2.375 X 7.0625
 TUBING, 2.375, 4.7#, J-55, EUE
 NIPPLE, PROFILE, "F", 2.375 OD, 1.780 ID
 MULE SHOE, 2.375

End of Production String @ 1495'
 (01/2008)

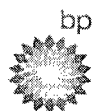
Pictured Cliffs Perforations

1438' - 1441', 1 SPF } Frac w/ 25,000 gals 70Q
 1445' - 1448', 1 SPF } N₂ foam, 42,500# 10/20
 1451' - 1455', 1 SPF } sand

PBTD: 1605'
 TD: 1651'
 (10/26/2010, DBW)

6 1/4" Hole
 4 1/2", 10.5#, K-55 @ 1643'
 Cmt w/ 250 sxs, 50-50 Poz mix w/ 2% Gel
 1/4# Floccel/sk + 0.6% CFR-2

Proposed P&A plug Set Program

**Gallegos Canyon Unit 322**

Pictured Cliffs

API # 30-045-24626

T-29H, R-12-W, Sec. 31

San Juan County, New Mexico

G.L. 5543'
K.B. 5545'

Well History

Spud date 2/16/1981

Well Servicing 7/1996 - Replace holey tubing

Well Servicing 1/1998 - Hole in 4th jt. Replaced 2 jts of tbgr

Well Servicing 5/1999 - Replace entire string of tubing

Well Servicing 8/2001 - C/O & replace holey tubing

Well Servicing 9/2003 - Replace rod cut tubing. Replace 58 rods

Well Servicing 7/2004 - Replace 3 jts of tubing

Workover 5/2006 - C/O fill & replace rod cut tubing

Well Servicing 1/2008 - Replaced holey tubing, ran guided rods

Geologist's Estimated Tops

TD is at 1651' & PBTD is at 1605'

4 1/2" casing at 1643'

Plug #1: PCCF - FTLD Coal Perforated & Completed

Gas Bearing interval (1050 - 1600')

FTLD Coal 1116'

FTLD SS 1142'

CTWD 1346'

CAHH 1398'

PCCF SS 1427'

PCCF Perforations 1438 - 1455'

PCCF Base 1518'

LWS 1600'

Plug #2: Ojo Alamo Fresh-water Aquifer Sandstone (100 - 308')

OJAM 208'

KRLD 268'

Orig. Estimated Formation Tops

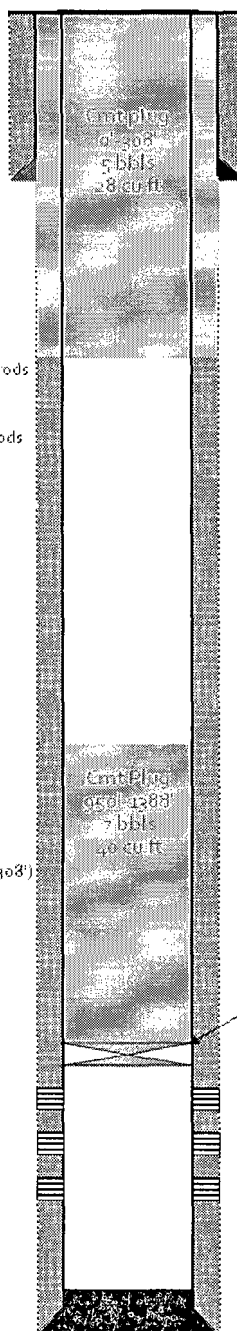
Kirtland 80'

Fruitland 1060'

Pictured Cliffs 1345'

Total Depth 1600'

Proposed PXA Cement plugs



9 7/8" Hole

7", 17.0#, R-3 @ 124'

Cmt w/ 50 sxs Class B w/ 2% CaCl₂ + 1/4# floccle/sk

Outside Cmt plug vol

0'-308'

9.5 bbls

53 cu ft

Deviation Report	
Depth	Deviation
700'	2:11.2 deg

CIBP set @ 1388

Pictured Cliffs Perforations

1438' - 1441', 1 SPF } Frac w/ 25,000 gals 70Q
N₂ foam, 42,500# 10/20
sand

1445' - 1448', 1 SPF

1451' - 1455', 1 SPF

6 1/4" Hole

4 1/2", 10.5#, K-55 @ 1643'

Cmt w/ 250 sxs, 50-50 Poz mix w/ 2% Gel

1/4# Floccle/sk + 0.6% CFR-2

Good Cmt to surface

PBTD: 1605'
TD: 1651'
(10/26/2010, DBW)