

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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. NMSF078903
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. NMNM78391C
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 245
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 36 T28N R12W SWNW 1850FNL 1190FWL 36.62088 N Lat, 108.06743 W Lon		9. API Well No. 30-045-11689-00-S1
		10. Field and Pool, or Exploratory BASIN DAKOTA
		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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input 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 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 3160-4 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 America Production Company requests permission to complete into the Basin Mancos & downhole commingling production with the existing Basin Dakota.

The Basin Dakota (71599)& the Basin Mancos (97232) pools are pre-approved for DHC per NMOCD CASE No. 12520, ORDER No. R-11567 effective 04/26/2001. Although the interest owners are not identical between these two pools, this same order established approval for subsequent applications for down hole commingling of production in wellbores within the Gallegos Canyon Unit without notice to the unit interest owners. Therefore, no additional notification is required prior to downhole commingling approval.

Production is proposed to be allocated based on the subtraction method using the DK projected future decline. That production shall serve as a base for production subtracted from the total

RCVD DEC 13 '10
OIL CONS. DIV.

Report cmt to be before Polling DHC 3523 AZ DIST. 3

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #98837 verified by the BLM Well Information System For BP AMERICA PRODUCTION CO, sent to the Farmington Committed to AFMSS for processing by JIM LOVATO on 12/10/2010 (11JXL0105SE)	
Name (Printed/Typed) CHERRY HLAVA	Title AGENT
Signature (Electronic Submission)	Date 12/09/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JIM LOVATO	Title PETROLEUM ENGINEER	Date 12/10/2010
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

Additional data for EC transaction #98837 that would not fit on the form

32. Additional remarks, continued

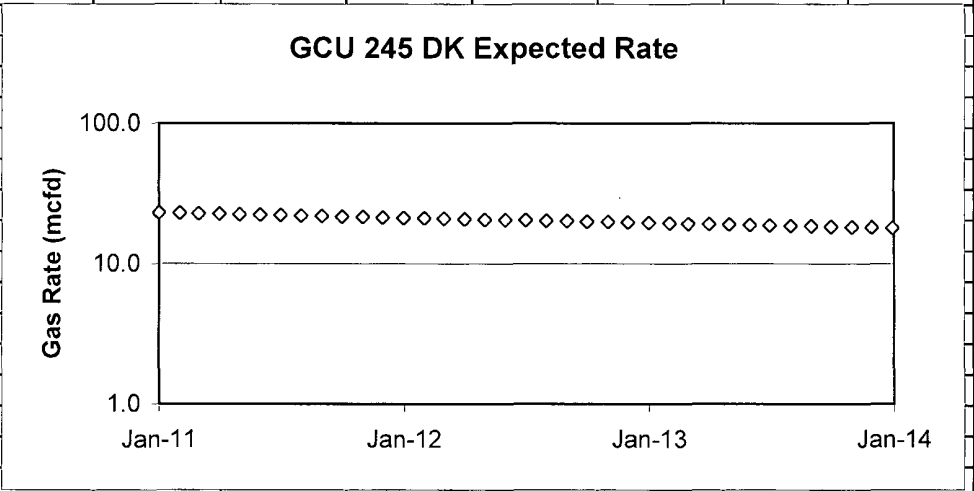
production for the commingled well. The balance of the production will be attributed to the Mancos.

Commingling production downhole in the subject well from the proposed pools will not reduce the value of the total remaining production.

Please see attached DHC procedure, wellbore schematics (before and after), C-102 plats & future DK production decline.

NMOCD Aztec office has been notified.

GCU 245										
30-045-11689		monthly								
Date	Qg	D	8.32%	exp year	(According to DSS Model)					
Jan-11	23.0	ggi	23	mcf/d	Current average well rate (2H 2010)					
Feb-11	22.8									
Mar-11	22.7									
Apr-11	22.5									
May-11	22.4									
Jun-11	22.2									
Jul-11	22.1									
Aug-11	21.9									
Sep-11	21.8									
Oct-11	21.6									
Nov-11	21.5									
Dec-11	21.3									
Jan-12	21.2									
Feb-12	21.0									
Mar-12	20.9									
Apr-12	20.7									
May-12	20.6									
Jun-12	20.4									
Jul-12	20.3									
Aug-12	20.2									
Sep-12	20.0									
Oct-12	19.9									
Nov-12	19.7									
Dec-12	19.6									
Jan-13	19.5									
Feb-13	19.3									
Mar-13	19.2									
Apr-13	19.1									
May-13	18.9									
Jun-13	18.8									
Jul-13	18.7									
Aug-13	18.6									
Sep-13	18.4									
Oct-13	18.3									
Nov-13	18.2									
Dec-13	18.0									
Jan-14	17.9									



District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-11689		² Pool Code 97232	³ Pool Name Basin Mancos
⁴ Property Code 000570	⁵ Property Name Gallegos Canyon Unit		⁶ Well Number 245
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company		⁹ Elevation 5896' 6L

¹⁰ Surface Location

UL or lot no. Unit E	Section 36	Township 28N	Range 12W	Lot Idn	Feet from the 1850'	North/South line North	Feet from the 1190'	East/West line West	County San Juan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320 Ac.	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div style="text-align: center;">1850'</div> <div style="text-align: center;">1190'</div>				<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>Cherry Hlava</i></p> <p>Signature</p> <p style="text-align: center;">Cherry Hlava</p> <p>Printed Name</p> <p style="text-align: center;">Regulatory Analyst</p> <p>Title</p> <p style="text-align: center;">12/06/2010</p> <p>Date</p>
				<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p style="text-align: center;">3/7/1966</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p style="text-align: center;">James P. Leese</p> <p style="text-align: center;">1463</p> <p>Certificate Number</p>

N/2

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

30-045-11689

Operator PAN AMERICAN PETROLEUM CORPORATION		Lease GALLEGOS CANYON UNIT (DAKOTA)		Well No. 245
Unit Letter E	Section 36	Township 28 NORTH	Range 12 WEST	County SAN JUAN
Actual Footage Location of Well: 1850 feet from the NORTH line and 1190 feet from the WEST line Ground Level Elev. REPORT LATER Producing Formation DAKOTA Pool BASIN DAKOTA Dedicated Acreage 320 Acres				

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

(X) Yes () No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

G. W. Eaton, Jr.
Name

G. W. Eaton, Jr.
Position

Area Engineer
Company

PAN AMERICAN PETROLEUM CORP.
Date

March 7, 1966

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

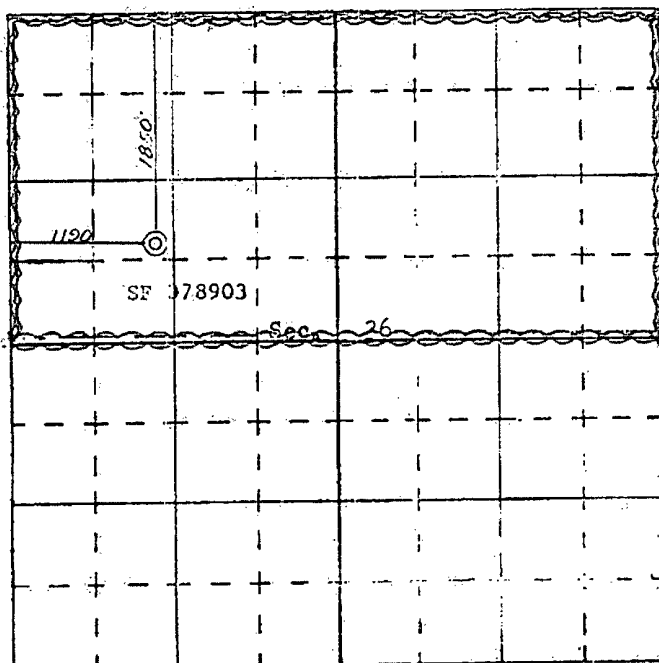
March 7, 1966
Date Surveyed

James F. Leese
Registered Professional Engineer
and Land Surveyor

James F. Leese

1163

Certificate No.



SCALE—4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY,

GCU 245 - RECOMPLETION 30-045-11689
Downhole Commingling Permit
Proposed procedure (12/2/2010)
Pull tubing
Set CIBP at 6200' above Dakota
Run CHHL & CBL
Cement squeeze casing as necessary
Perforate Gallup formation approximately 5620' to 5770'
Fracture stimulate Gallup formation
Flow back & clean up Gallup formation
Drill out CIBP
Run 2-3/8" tubing to 6300'
Run rod string and install pumping unit
Produce Dakota & Gallup formations up casing

**Gallegos Canyon Unit 245**

Dakota
API # 30-045-11689
T-28N, R-12-W, Sec. 36
San Juan County, New Mexico

History

Spud Date: 4/7/66

Completion Date: 5/8/66

Formation Tops

PC	1760
Lewis Shale	1940
Mesaverde	3345
Mancos	4480
Gallup	5363
Base Gallup	5940
Greenhorn	6163
Graneros Shale	6223
Graneros Dakota	6260
Main Dakota	6327

Dakota Perforations

6264-6269'

6283-6288'

Fraced w/ 20,000# 20/40, 10,000# 10/20 snd
& 32,760 gals treated water

6334-6354'

Fraced w/ 30,000# 20/40, 10,000# 10/20 snd
& 36,288 gals treated water**PROPOSED**