

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.

5. Lease Serial No.
NMSF080723

6. If Indian, Allottee or Tribe Name

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: INJECTION

2. Name of Operator

BP AMERICA PRODUCTION CO

Contact: CHERRY HLAVA

E-Mail: hlavacl@bp.com

8. Well Name and No.

GALLEGOS CANYON UNIT 306 WDW

9. API Well No.

30-045-24286-00-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 19 T29N R12W NESE 2015FSL 0830FEL
36.71025 N Lat, 108.13329 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

☐ Subsequent Report

☐ Final Abandonment Notice

☒ 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

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 respectfully requests permission to acidize the above mentioned Salt Water Disposal well.

Please see attached procedure.

RCVD FEB 9 '11
OIL CONS. DIV.
DIST. 3

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

Electronic Submission #101897 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 02/03/2011 (11SXM0920SE)

Name (Printed/Typed) CHERRY HLAVA

Title AGENT

Signature (Electronic Submission)

Date 02/02/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON

Title PETROLEUM ENGINEER

Date 02/03/2011

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

GCU 306

General Information:

| | | | |
|------------------|------------------|-----------------|-----------------|
| Formation: | Mesa Verde | Job Objective: | Acidize |
| Project #: | | Date: | January 6, 2011 |
| Engineer: | David Wages | p. 281.366.7929 | c. 406.231.4679 |
| Base Engineer: | Amy Adkison | p. 281.366.4495 | |
| Production TL: | Kenny Anderson | p. 505.326.9495 | |
| Additional Eng.: | Trevor McClymont | p. 281.366.1425 | |
| Reviewer: | Jim McKamie | p. 281.366.5041 | |

Well Information:

| | |
|--------------------|---------------------|
| API Number: | 30-045-24286 |
| Meter # | FAC0000014 |
| Run #: | 22 |
| Surface Location: | Sec19 – T29N – R12W |
| GPS Coordinates: | N/A |
| Well FLAC: | |
| Lease FLAC: | |
| WI | 100% |
| Cost Center: | |
| Compressed (Y/N): | |
| Restrictions: | NO |
| Regulatory Agency: | NMOCD |

Production Data:

| | |
|-----------------------|--------------------------|
| Tubing Pressure: | N/A |
| Casing Pressure: | N/A |
| Line Pressure: | N/A |
| Pre-rig Gas Rate: | N/A |
| Anticipated Gas Rate: | N/A |
| Water Rate: | N/A |
| CO2 (%): | N/A |
| H2S (PPM): | POSSIBLE |
| Gas BTU: | N/A |
| Specific Gravity: | N/A |
| Well Type: | Salt Water Disposal Well |

Budget and Work Order Information

| | | | |
|------------------|----------|-------------------|--|
| Rig Budget: | \$50,184 | Total AFE Amount: | |
| P&C Budget: | | Work Order #: | |
| Swabbing Budget: | | | |

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: Acidize Mesa Verde to improve injection efficiency - Rigless

Basic Job Procedure:

1. TIH w/ wireline to locate fill and check for scale.
2. MIRU pump equipment
3. Pump chemicals and monitor pressure readings
4. Shut down pumping equipment
5. Record data and return well to injection in the MV.

Well History:

4/1980-Spud well

10/1996-Acidize MV injection perfs

12/1996- squeeze off FS production perfs and abandon. Add 2866'-2990' MV perfs and fracture stimulate same.

12/2001-Replace Holey injector tubing

Completion Information

| | | | |
|---------------------|-------|-------------|--------|
| End of Tubing: | 2852' | Tubing Size | 2-3/8" |
| Liner Size and Top: | N/A | Casing size | 7" |
| PBTD: | 4114' | | |

Mesa Verde Data:

Current Injection Information: 6000 bbl/mo

Avg Injection Pressure: 800 psi

Max allowable disposal pressure: 1200 psi

Standard Site Preparations

1. Work with OC through CoW and w/P&S to develop a plan to move or temporarily relocate equipment that prohibits well servicing objectives.
2. Ensure all necessary equipment is isolated (LOTO)
3. MI safety service company certified in H2S.
4. Safety service company to check gas concentration at wellhead. If H2S is present, follow H2S Contingency:

H2S Contingency:

5. Notify BakerPetrolite of H2S concentration and to come treat the well.
6. Verify volume of scavenger to be pumped:

$(0.1 * (a - b) * c / 1000) * 90 = \text{Treatment volume in gal.}$

a = ppm H2S tested

b = Target H2S = 0

c = Peak Rate; The highest volume the well has produce in the last 90' days. = TBD w/ Baker/WIE input

7. Treat well per BakerPetrolite treating procedure.

Slickline tag for fill/X-nipple:

8. Move in slickline unit, equipment and crew.

9. RU slickline using slickline NOP (NAG-NOP-SL01). Pressure test lubricator 250 psi low and 1500 psi high for 5 minutes for each test. Record passing test in OpenWells.
10. RIH with 1.9" gauge ring to X-nipple at 2819' to locate any tools or tubing obstructions.

Note: Document and report to WIE fluid level tag in OpenWells.

11. RD Slickline unit.

Pump Injectivity treatment

Note that the Vendor has indicated the scale found from a sample that was submitted for testing appears to contain CaSO₄ because it emits a strong rotten egg smell when treated with acid and is not magnetic. Therefore please wear proper PPE when pumping acid to treat scale. Furthermore H₂S monitors should be calibrated properly prior to using for monitoring while working in the area !! Maintain all work upstream of the prevailing wind directions. Use a windsock or other flag to track wind direction when working in the area.

12. Spot and lay flowback lines from tubing head to flowtank.
 13. RU pump and lines to pump down tubing.
 14. Pressure test pump and lines to 250 psi low and 1500 psi high.
- Note: Maximum treating pressure = 1300 psi, adjust rates as necessary.**
15. Pump 30 bbls preflush of 2% KCl water or equivalent down tubing.
 16. Start pump truck and pump 250 gallons of A 26 (Xylene) at a rate of 0.5 bpm.
 17. After 3 bbls have passed through the wellhead, shutdown and let soak for 10 minutes. Resume pumping the remaining bbls of A 26 at 0.5 bpm rate.
 18. Pump 500 gallons of 15% HCl acid solution at 0.5 bpm.
 19. After first 6 bbls of acid have passed through the wellhead, shutdown and let soak for 15-30 minutes. Resume pumping the remaining 6 bbls of acid at 0.5 bpm.
 20. Pump an additional 500 gallons of acid to the BHA and perforations at 2-3 bpm. Once acid is on bottom, slow pump rate down to 0.5 bpm.
 21. After 6 bbls have passed the BHA, shutdown and let soak for 15-30 minutes. Resume pumping the remaining bbls of acid at 0.5 bpm until the acid is throughout the perforations.
 22. Overdisplace the treatment into the formation with 20 bbls of 2% KCl water or equivalent
 - a. If pressure readings are satisfactory (i.e. < 1000 psi), then shut down pumping equipment and return well to injection. (Maximum injection pressure should not exceed 1200 psi at this point).
 - b. If pressure readings are not satisfactory, then consult with Houston engineering for additional treatment steps.
 23. Treatment successful, flowback as needed to flowback tank.
 24. Flowback complete, RD service unit and flowback lines.
 25. Return well to Operations, Document all pertinent data in OpenWells.

Current Wellbore and Proposed Wellbore

