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MAR 27 2017

BP America Production Co
Lower 48 Onshore

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2011
Farmington Field Office
Bureau of Land Management

March 20 2017

Bureau of Land Management
Farmington District Office
6251 College Blvd Suite A
Farmington New Mexico 87402
Attn Ms Virginia Barber

State of New Mexico
Commissioner of Public Lands
P O Box 1148
Santa Fe New Mexico 87504 1148

State of New Mexico
Energy Minerals and Natural Resources Depart
Oil Conservation Division
1200 South St Francis Drive
Santa Fe New Mexico 87505

RE 2017 Plan of Development
Northeast Blanco Unit
San Juan and Rio Arriba Counties NM

Ladies and Gentlemen

In accordance with Northeast Blanco Unit (NEBU) Unit Operating Agreement, dated July 16 1951 BP America Production Company as Unit Operator for the NEBU effective 4/1/2016 requests your review and approval of the attached 2017 Plan of Development

Please signify your approval of the 2017 Plan of Development by signing in the space provided on the attached sheets and returning same to the attention of

Craig Ferguson
BP America Production Company
737 N Eldridge Parkway E3 12 173B
Houston TX 77079

The working interest owners are being furnished a copy of this letter well status listing and attached Plan of Development If you have any questions please do not hesitate to contact me at 281 892 5743

Sincerely

Craig T Ferguson
Craig T Ferguson
Sr Land Negotiator

Approval of this POD
does not constitute
approval of specific APD's

Dave Mankiewicz

enclosures

Review of 2016 Operations

Shown in Table I are the cumulative volumes of gas and condensate produced from each reservoir in the Northeast Blanco Unit (NEBU) through year end 2016. Table II summarizes the 2016 average rate (gas and condensate) for 2016 and the completion status for each horizon. Table III summarizes the disposal wells and the pressure monitoring wells. Table IV summarizes wells that were recompleted as pressure monitoring wells in 2016. Table V summarizes wells that were P&A'd in 2016.

Exhibit I has total NEBU historical production plots for gas and condensate. Exhibit II has a map of the existing infrastructure in NEBU.

TABLE I

Cumulative Production as 12/31/2016

FORMATION	GAS (MMCF)	CONDENSATE (MBLS)
Fruitland Coal	1 402 578	1 1
S Los Pinos Fruitland Sand / Pictured Cliffs	27 962	32 2
Pictured Cliffs	10 774	9 3
Mesaverde	538 580	213 0
Gallup	329	0 0
Mancos	913	0 0
Dakota	70 195	0 4

TABLE II

2016 Production Volume and 2016 Completion Status by Formation as of 12/31/2016

FORMATION	ACTIVE	INACTIVE	2016 GAS PRODUCTION (MMcfd)	2016 CONDENSATE PRODUCTION (BPD)
Fruitland Coal	183	12	36 517	0 5
S Los Pinos Fruitland Sand / Pictured Cliffs	45	6	3 611	3 5
Pictured Cliffs	18	5	1 373	1 0
Mesaverde	214	9	17 879	9 3
Gallup	2	0	0 015	0 0
Mancos	0	0	0 000	0 0
Dakota	106	6	7 044	1 1

TABLE III
Disposal Wells and Pressure Observation Wells

WELL TYPE	FORMATION	NUMBER OF WELLS
Disposal Wells	Morrison Entrada	4
Pressure Observation	Fruitland Coal	10
Pressure Observation	Mancos	2

In 2016 the Dakota perforations in the NEBU 354 and NEBU 55E wells were plugged and the wells were perforated in the Mancos formation for use as Mancos pressure observation wells

TABLE IV
2016 Recompletion Operations

WELL	API NUMBER	DEDICATION	HORIZON
NEBU 354	30 045 34658	Unit J Sec 32 T31N R7W	P&A Dakota Perf Mancos
NEBU 55E	30 045 32260	Unit I Sec 22 T31N R7W	P&A Dakota Perf Mancos

In 2016 the Dakota perforations in the NEBU 354E were plugged and the well was permanently abandoned

TABLE V
2016 P&A Operations

WELL	API NUMBER	DEDICATION	HORIZON
NEBU 354E	30 045 34700	Unit G Sec 32 T31N R7W	Dakota

2016 NEBU Plan of Development Comments

Prior to April 2016 Devon Energy Production Company was the operator of record for the Northeast Blanco Unit (NEBU). Although our records are not complete we have found a reference to a POD submitted by Devon in 2012. BP America Production Company purchased Devon's interest in NEBU in 2015 and assumed operatorship in April 2016. No attempt is made herein to summarize activities prior to April 2016 as BP was not the operator.

2017 NEBU Plan of Development

BP America Production Company is proposing the following activities in the 2017 Plan of Development. BP America Production Company does not have any identified recompletion candidates planned for 2017. BP America Production Company plans to plug and abandon the NEBU 16 well (Table VI). BP America Production Company will continue to review the current well inventory and may identify additional P&A candidates throughout the year. BP America Production Company is proposing four new wells to be drilled in 2017. The proposed well names are shown in Table VII. Details relating to these new wells are also found in Table VII below. The NEBU 602 Com 1H was originally planned to be drilled in 2016 but did not receive regulatory approval in time to drill before 2017.

TABLE VI
2017 P&A Operations

WELL	API NUMBER	DEDICATION	HORIZON
NEBU 16	30 039 07925	Unit A Sec3 T30N R7W	Mesa Verde

TABLE VII
2017 New Drill Candidates

WELL	DEDICATION	TYPE	TARGET	STATUS
NEBU 602 Com 1H	N/2 Sec 7 &12 T31N R7W	New Drill Horizontal	Mancos	2017 Project
NEBU 604 Com 1H	N/2 Sec 13&18 T31N R7W	New Drill Horizontal	Mancos	2017 Project
NEBU 604 Com 2H	N/2 Sec 13&18 T31N R7W	New Drill Horizontal	Mancos	2017 Project
NEBU 604 Com 3H	S/2 Sec 13&18 T31N R7W	New Drill Horizontal	Mancos	2017 Project

Exhibit I
Historical Gas and Condensate Production for NEBU

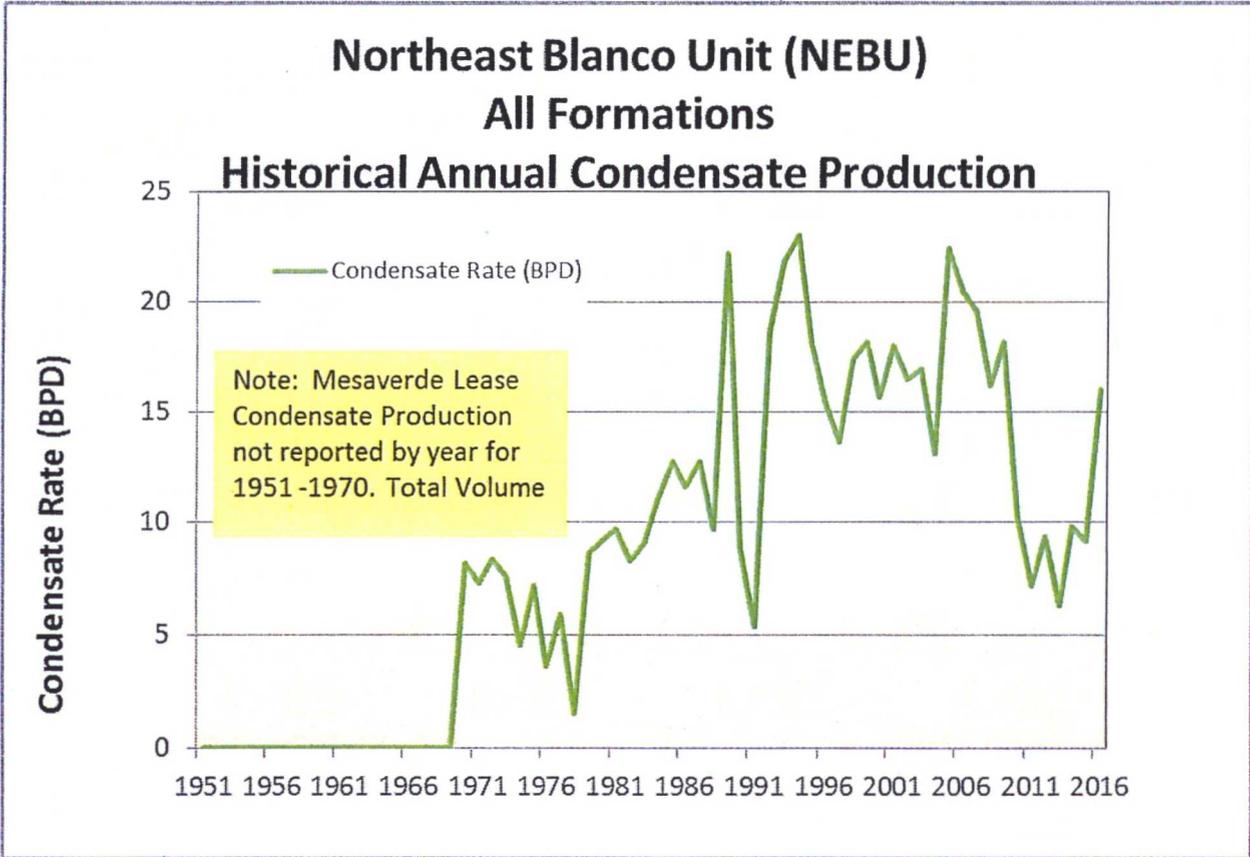
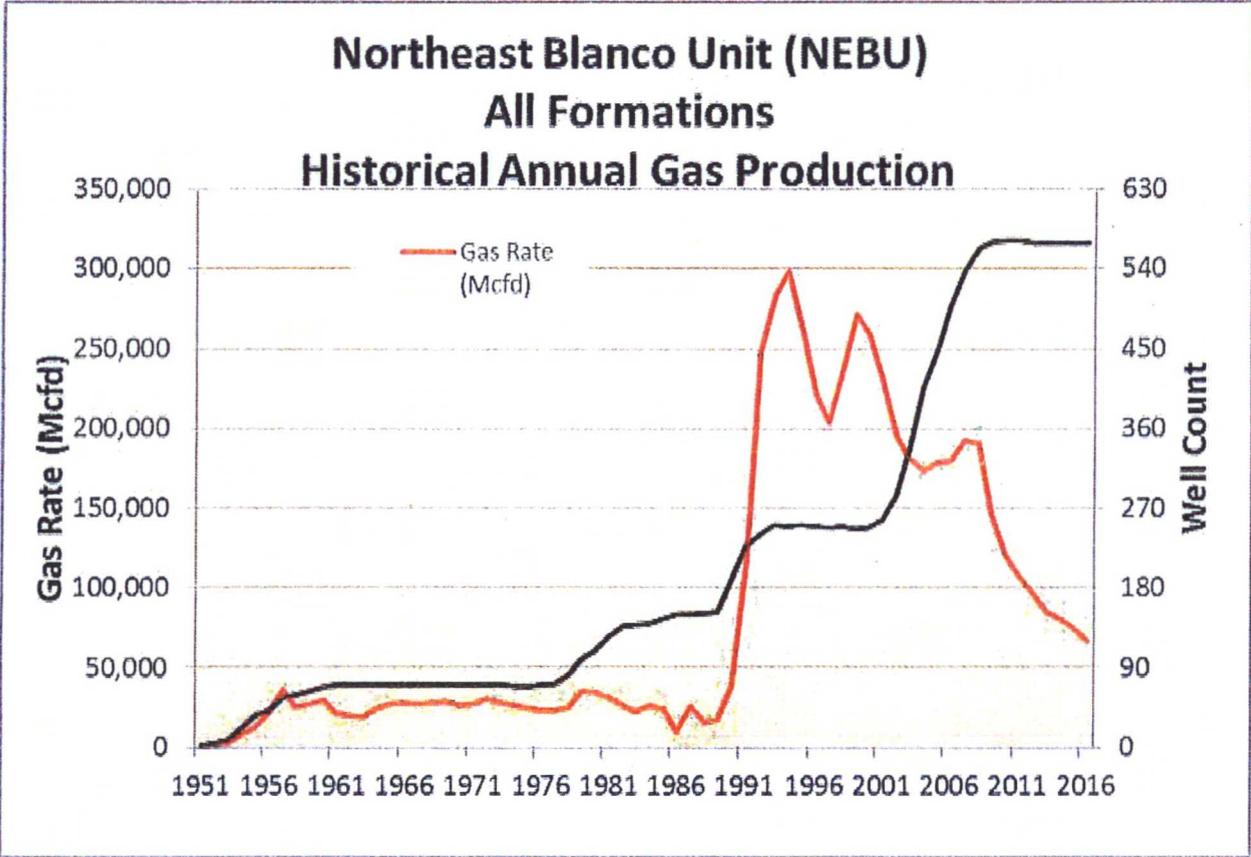
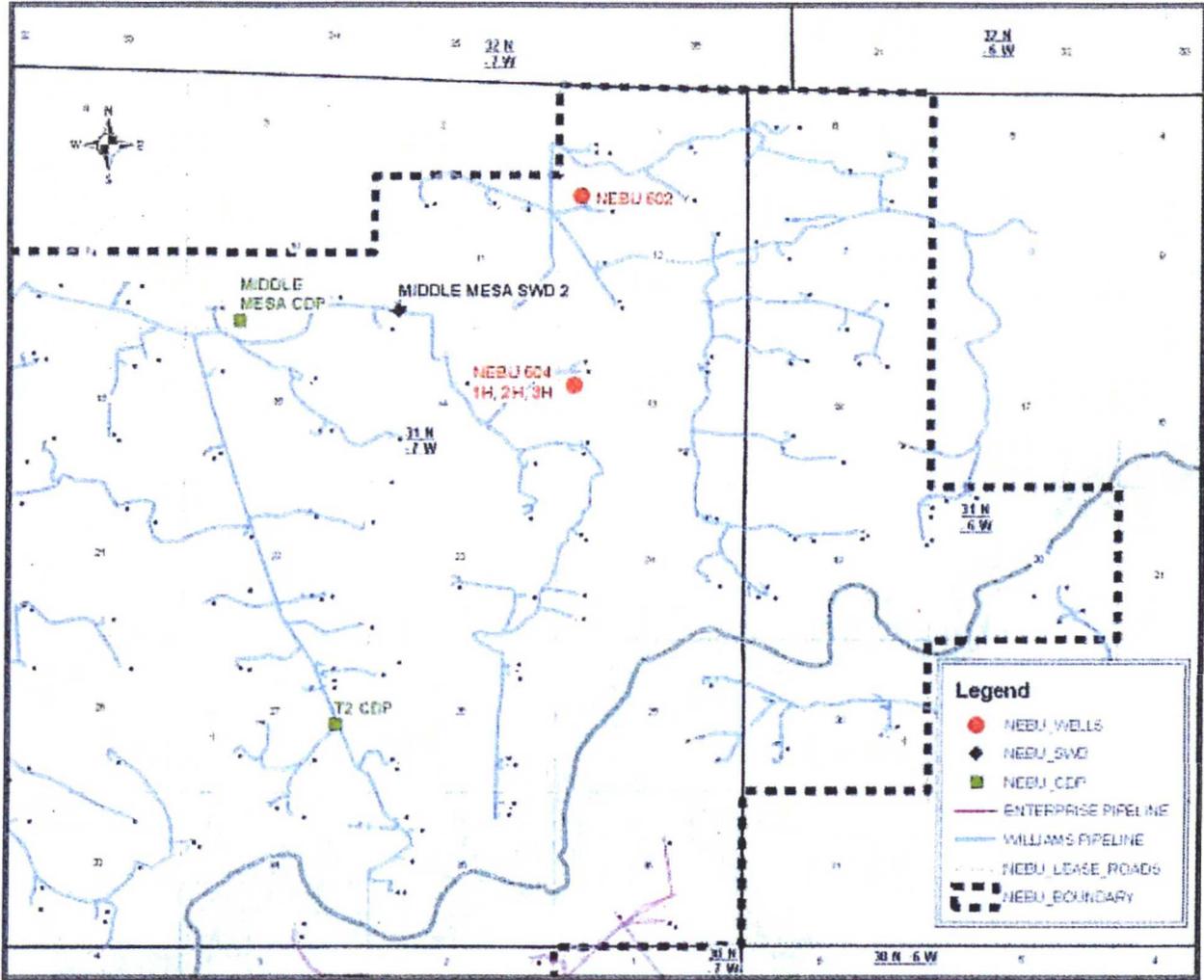
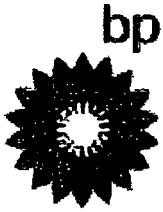


Exhibit II
NEBU Infrastructure Map



This NEBU Plan of Development has 4 new wells to be drilled in 2017 from well pads 602 and 604, located in red on the map in the NE area of the NEBU unit outline. Lease roads generally follow the gathering lines in the NEBU unit outline.



BP America Production Co
Lower 48 Onshore

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Northeast Blanco Unit

2017 Plan of Development

Approved *Dave Mankiewicz* Dated 4/3/17

Bureau of Land Management
(Subject of like approval by the Commissioner of Public Lands and the Oil
Conservation District)

Approved _____ Dated _____

Commissioner of Public Lands
(Subject of like approval by the Bureau of Land Management and the Oil
Conservation District)

Approved *Scott Davis* Dated 4/7/17

Oil Conservation District
(Subject of like approval by the Bureau of Land Management and the
Commissioner of Public Lands)

The foregoing approvals are for the 2017 Plan and Development of the Northeast Blanco Unit