

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.
NMSF078387A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
KERNAGHAN B 6

9. API Well No.
30-045-27339-00-S1

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

11. County or Parish, and State
SAN JUAN COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other: COAL BED METHANE

2. Name of Operator Contact: TOYA COLVIN
BP AMERICA PRODUCTION CO. E-Mail: Toya.Colvin@bp.com

3a. Address 3b. Phone No. (include area code)
501 WESTLAKE PARK BLVD. RM 4.423B Ph: 281-366-7148
HOUSTON, TX 77079

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 29 T31N R8W NWNE 1280FNL 1800FEL
36.872467 N Lat, 107.695068 W Lon

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 checked="" 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 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 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.)

BP America Production Company respectfully requests permission to deepen the subject well. Please see attached procedure, wellbore diagrams, and C-102 plat.

In accordance with NMOCD Pit Rule 19.15.17.9 NMAC, BP America Production Company will use a closed-loop system during operations.

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

**Electronic Submission #248618 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 06/12/2014 (14JXL0145SE)**

| | |
|-----------------------------------|--------------------------|
| Name (Printed/Typed) TOYA COLVIN | Title REGULATORY ANALYST |
| Signature (Electronic Submission) | Date 06/06/2014 |

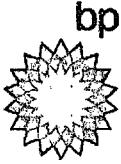
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------------------------|--------------------------|
| Approved By <u>JIM LOVATO</u> | Title <u>PETROLEUM ENGINEER</u> | Date <u>06/12/2014</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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD



Kernaghan B6
Coal
API # 30-045-27339-00
Unit B - Sec 29 - T31N - R08W
San Juan County, New Mexico

Reason/Background for Job

The proposed work is to deepen the Kernaghan B 006 to provide additional rathole to effectively produce the Fruitland Coal formation

Basic job procedure

1. Pull rods & pump
2. Pull tubing
3. Pull liner
4. Deepen well to 3530' ± (estimated base of Pictured Cliffs Sandstone – 3548'; estimated top of Lewis – 3700')
5. Run liner – either pre-slotted or perforate after installation – similar intervals as before; liner might be run with bit and sub on bottom
6. Run tubing at 3480' ±
7. Run pump and rods

Current WBD



Kernaghan B6
 Coal
 API # 30-045-27339-00
 Unit B - Sec 29 - T31N - R08W
 San Juan County, New Mexico

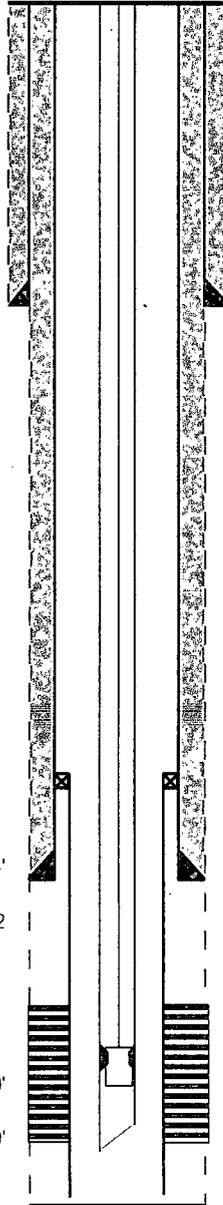
History

- 06/1989 Spud in
- 06/1989 Complete
- 02/1990 Install 5 1/2", 23# P110 liner, uncemented
- 03/1994 Retrieve 5 1/2" liner c/o to TD;
 underream 3257 - 3446' to 9 1/2"
 Cavitate well several times; c/o to TD
 Snub in 4 1/2" LT casing as prod tubing @ 3266'
- 04/1997 POH 4 1/2" prod tbg; c/o fill to TD 3446'; deepen well to
 3450'; flow test; c/o to TD; RIH w/ 5 1/2" liner 3094 - 3450'
 Perf liner 4 spf; RIH w/ 2 1/2" tbg; Run pump & rods
- 06/1999 WS - co
- 10/2000 Pump repair
- 04/2001 WS - c/o; pump repair
- 06/2001 WS - c/o
- 12/2002 Pump repair
- 04/2003 WS - c/o
- 01/2005 WS - c/o
- 05/2006 WS - c/o
- 12/2006 WS - c/o; replace pump
- 05/2007 WS - POH rods & pump; heavy corrosion on tubing;
 pump HCl & CBMA treatment; c/o to TD
 RIH 2 3/4" new tubing string, pump & rods
- 06/2011 WS - POH rods & pump
 severe corrosion on tubing;
 run scraper; acid treatment; c/o fill
 RIH 2 3/4" new tubing string, pump & rods
- 10/2011 WS - Test tubing - Ok; POH pump
 RIH w/ new pump
- 07/2013 WS - POH tubing; scraper run; c/o;
 land tubing; run pump & rods

Formation tops (ft)

| | |
|-----------------|------|
| Fruitland | 3181 |
| Ignacio | 3284 |
| Cottonwood | 3364 |
| Cahn | 3425 |
| Pictured Cliffs | 3461 |

GL 6581'
 KB 6594'



TD 3450'

Surface Casing

12 1/4" hole
 9 5/8", 36#, K55 @ 309'
 TOC @ surface (circ)
 290 Sacks

Tubing Details

| | <u>Length (ft)</u> |
|--|--------------------|
| 2 3/8" MS w/ 1/2" weep hole | 18 |
| F Nipple 2 3/8" x 1.78" | 1 |
| Tbg 2 3/8" 4.7 # J55, EUE, 107 jts | 3356 |
| Pup Jts 2 3/8" 4.7 # J55, EUE (10', 10') | 20 |
| Tbg 2 3/8" 4.7 # J55, EUE | 31 |

Rod Pump Details

| | <u>Length (ft)</u> |
|-----------------------------------|--------------------|
| RHAC-Z Pump 2" x 1 1/2" | 18 |
| Sinker Bars 1 1/4" x 25', 3 jts | 75 |
| Rods 3/4" grd D, 132 jts | 3300 |
| Pony Rods 3/4" grd D (6', 8', 8') | 22 |
| Polished Rod 1 1/4" | 26 |

Production Casing

8 1/4" hole
 7", 20#, K55 @ 3250'
 TOC @ surface (circ)
 660 Sacks

Liner Perforations

3279 - 3294'
 3318 - 3328'
 3357 - 3376'
 3409 - 3445'

Production Liner

6 1/4" hole; underream to 9 1/2" to 3446'
 5 1/2", 17#, L80 @ 3449
 uncemented

Proposed WBD



Kernaghan B6

Coal

API # 30-045-27339-00

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San Juan County, New Mexico

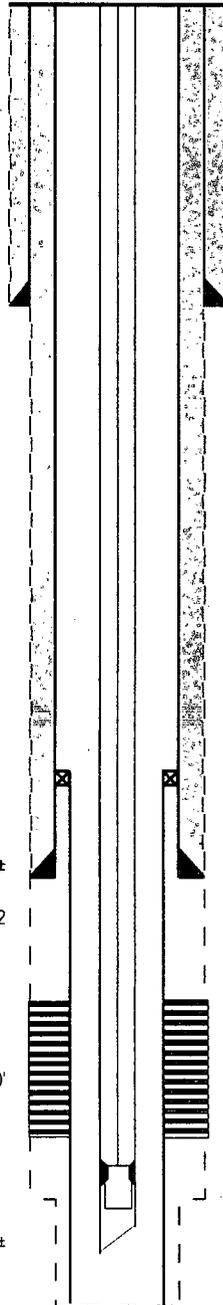
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add pup jts for spaceout

Rod Pump Details

RHAC-Z Pump 2" x 1 1/2" x 18' ±
Sinker Bars 1 1/4" x 25', 3 jts
Rods 3/4" grd D
add pony rods for spaceout
Polished Rod 1 1/4" x 26' ±

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