

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 2/26/15
Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-27338-00-00	KERNAGHAN B	005	BP AMERICA PRODUCTION COMPANY	G	A	San Juan	F	A	28	31	N	8	W

Application Type:

- P&A
 Drilling/Casing Change
 Location Change
 Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)
 Other: Deepen

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations, casing & cement

See APD Conditions of approval regarding Hydraulic Fracturing, Oil base muds and Well-bore communication.

Hold C-104 for Mud Log

NMOCD Approved by Signature

3-3-15
Date

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.

RECEIVED
FEB 18 2015

Lease Serial No.
NMSF078387A

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

Farmington Field Office
Bureau of Land Management

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE	6. If Indian, Allottee or Tribe Name
2. Name of Operator BP AMERICA PRODUCTION CO. Contact: TOYA COLVIN E-Mail: Toya.Colvin@bp.com	7. If Unit or CA/Agreement, Name and/or No. KERNAGHAN B 5
3a. Address 501 WESTLAKE PARK BLVD. RM 4.423B HOUSTON, TX 77079	9. API Well No. 30-045-27338-00-S1
3b. Phone No. (include area code) Ph: 281-366-7148	10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 28 T31N R8W NENE 1210FNL 1115FEL 36.872421 N Lat, 107.674820 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
<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 to deepen and install liner in the subject well. Please see the attached procedure including 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.

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MAR 02 2015
NMOCD

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

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

Electronic Submission #292239 verified by the BLM Well Information System For BP AMERICA PRODUCTION CO., sent to the Farmington Committed to AFMS for processing by TROY SALYERS on 02/26/2015 (15TLS0161SE)

Name (Printed/Typed) TOYA COLVIN	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 02/18/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>TROY SALYERS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>02/26/2015</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 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 ****

Kernaghan B 005
Fruitland
API # 30-045-27338
T-31N, R-08W, Sec. 28
San Juan County, New Mexico

Reason/Background for Job

The proposed work is to pull existing liner, deepen the well to provide additional rathole and re-install liner to effectively produce the Fruitland Coal formation

Basic job procedure

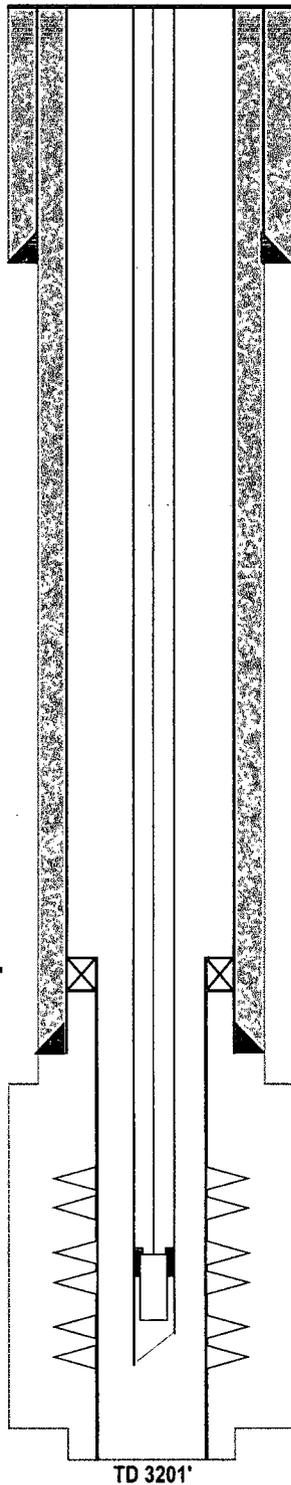
1. Pull tubing
2. Pull liner
3. Deepen well to $\pm 3275'$ – a mudlogger will be on location while drilling
4. Run liner – either pre-slotted or perforate after installation; liner might be run with bit and sub on bottom
5. Run tubing
6. Return well to production

Current WBD



Kernaghan B 005
 Fruitland
 API # 30-045-27338
 T-31N, R-08W, Sec. 28
 San Juan County, New Mexico

GL 6319'
 KB 6332'



Surface Casing

12 1/4" hole
 9 5/8", 36#, K55 @ 267'
 260 sxs B
 TOC @ surf (circ)

Tubing String

	<u>Length(ft)</u>
MS 2 3/8", 4.7#, J55, w/ 3/8" weep hole	20
F Nipple 2 3/8" / 1.78"	1
Tbg 2 3/8", 4.7#, J55, FBN, 97 jts	3136

Rod String

	<u>Length(ft)</u>
Pump RWAC 2" x 1 1/2"	12
Stabilizer Pony 3/8"	4
Sinker bar 1 1/4" x 25', 3 jt	75
Rods 3/4" x 25', grd D, 121 jts	3025
Pony rods 3/4" (6', 6')	12
Polished rod 1 1/4"	26

Production Casing

8 3/4" hole
 7", 23#, J55 @ 2997'
 524 sxs Lite lead; 100 sxs tail
 TOC @ surf (circ)

Liner Perfs (4 spf)

reperf 1998 & 2014
 3046 - 3064'
 3094 - 3112'
 3156 - 3184'

Production Liner

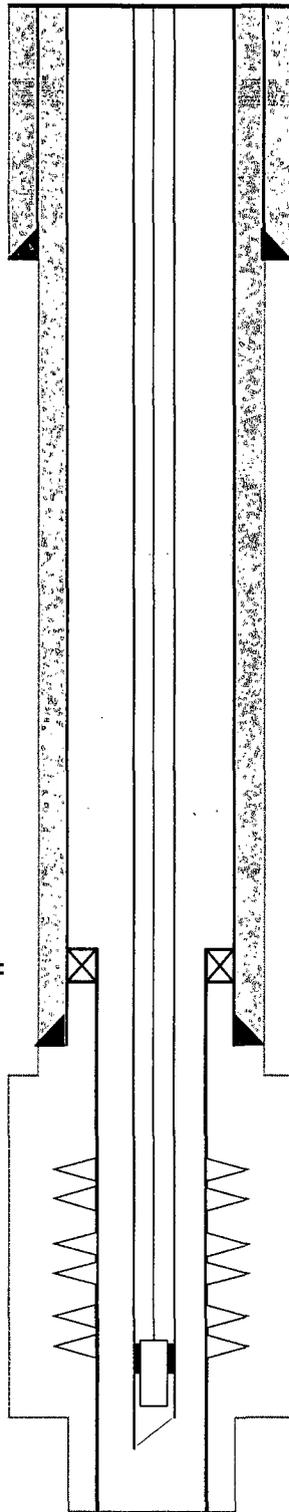
6 1/4" hole to 3186'
 underream to 9 1/2"
 6 1/4" hole to 3201'
 5 1/2", 17#, L80 @ 3196'

Proposed WBD



Kernaghan B 005
 Fruitland
 API # 30-045-27338
 T-31N, R-08W, Sec. 28
 San Juan County, New Mexico

GL 6319'
 KB 6332'



Surface Casing

12 1/4" hole
 9 5/8", 36#, K55 @ 267'
 260 sxs B
 TOC @ surf (circ)

Tubing String

MS 2 7/8", 6.5#, J55, 20' ±
 w/ 3/8" weep hole
 F Nipple 2 7/8" / 2 1/4"
 Tbg 2 7/8", 6.5#, J55, FBN
 add pup jts for spaceout

Rod String

Pump RWAC 2 1/2" x 2" x 12' ±
 Stabilizer Pony 3/4"
 Sinker bar 1 1/4" x 25', 6 jt
 Rods 3/4" x 25', grd D
 add pony rods for spaceout
 Polished rod 1 1/4" x 26' ±

Production Casing

8 3/4" hole
 7", 23#, J55 @ 2997'
 524 sxs Lite lead; 100 sxs tail
 TOC @ surf (circ)

Liner perms will be determined based on logs

Production Liner

6 1/4" hole to 3186'
 underream to 9 1/2"
 6 1/4" hole to 3201'
 5 1/2", 15.50#, J55 Hydrill 511 @ 3275' ±

TOL @ 2830' ±

F Nipple @ 3205' ±
 EOT @ 3225' ±

TD 3275' ±

