

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: 9/30/2015

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-31431-00-00	TANK MOUNTAIN B	001S	BP AMERICA PRODUCTION COMPANY	G	A	San Juan	F	P	29	32	N	9	W

Drilling/Casing Change

Conditions of Approval:

(See the below checked and additional conditions)

- Notify Aztec OCD 24hrs prior to casing & cement.
- Hold C-104 for directional survey & "As Drilled" Plat
- Hold C-104 for NSL, NSP, DHC
- Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- Ensure compliance with 19.15.17
- Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

Additional requirements

Submit open hole log for review to ensure that perforations will be in the Basin Fruitland Coal.

NMOCD Approved by Signature

10-26-15
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.

5. Lease Serial No.
NMSF078509A

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.

8. Well Name and No.
TANK MOUNTAIN B 1S

9. API Well No.
30-045-31431-00-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 **BP AMERICA PRODUCTION CO.** Contact: **TOYA COLVIN**
E-Mail: **Toya.Colvin@bp.com**

3a. Address
**200 ENERGY CT.
FARMINGTON, NM 87401**

3b. Phone No. (include area code)
Ph: **281-366-7148**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**Sec 29 T32N R9W SESE Lot 16 845FSL 740FEL
36.950799 N Lat, 107.796555 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 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 checked="" type="checkbox"/> Other Drilling Operations
	<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 sidetrack the subject well. Drilling & Completions will remain on the original well pad with no additional pad expansion.

Please see the attached procedure, wellbore schematics, directional plan, and C-102 plat. Please note the surface hole location for the Tank Mountain B 1S reads differently on the attached C-102 due to the increased accuracy of our surveying methods. The existing well location was re-surveyed by Marshall Lindeen at United Field Services 9/28/2015.

Also attached is the sidetrack operations summary performed November- December 2003.

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

OIL CONS. DIV DIST. 3

OCT 23 2015

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

**Electronic Submission #318254 verified by the BLM Well Information System
For BP AMERICA PRODUCTION CO., sent to the Farmington
Committed to AFMSS for processing by WILLIAM TAMBEKOU on 10/20/2015 (16WMT0014SE)**

Name (Printed/Typed) TOYA COLVIN	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 09/30/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>WILLIAM TAMBEKOU</u>	Title PETROLEUM ENGINEER	Date 10/20/2015
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

Tank Mountain B 001S

API # 30-045-31431-00

Location: P SEC. 29, T32N, R09W

San Juan County, New Mexico

Reason/Background for Job

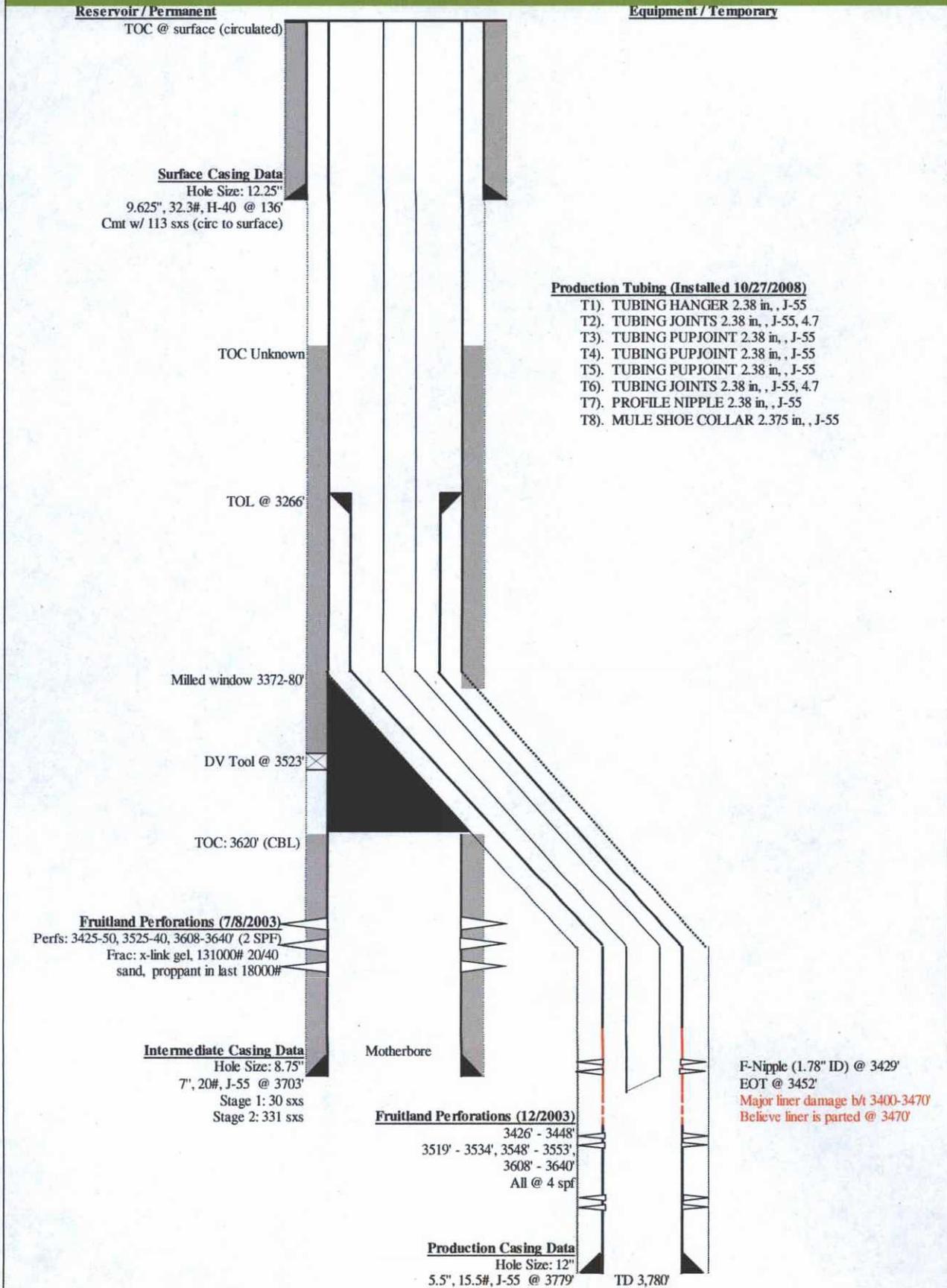
The Tank Mountain B 001S is a Fruitland producing well that was drilled and completed in 2003. Later in the same year, the original completion was abandoned and the well was sidetracked, lined, and cavitated. During a cleanout in 2008, it was discovered that the liner had extensive damage. It is believed that the liner parted, isolating the Cottonwood and Cahn coal seams under coal fines and paraffin.

It is proposed, based on strong offset production, to abandon the original sidetrack, drill a new sidetrack into the existing cavity system, and re-install a rod pump.

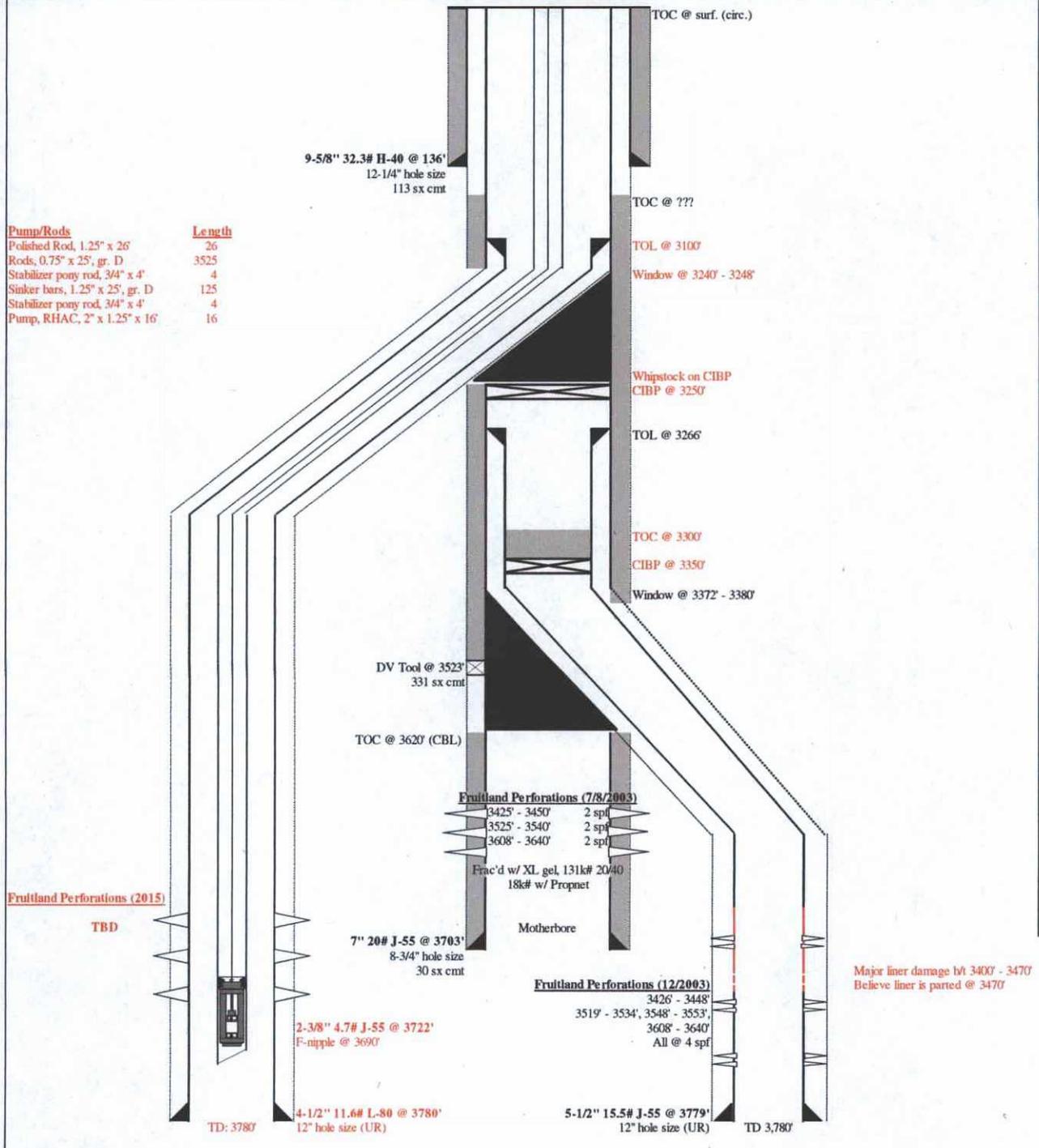
Basic Job Procedure

1. Pull tubing
2. Determine orientation of original sidetrack using a gyro
3. Set a CIBP at 3350'
4. Spot 50' cement on CIBP; let set, then tag to verify cement top
5. Run CBL to surface; locate TOC
6. Set CIBP at ~3250'
7. Set whipstock on CIBP and orient azimuth 180° from existing sidetrack using UBHO sub
8. Mill window in casing
9. Drill blind vertical sidetrack with air to TD of 3780'
10. Under-ream hole to 9 1/2" from 3780' to 3420'
11. Run 4 1/2" liner to TD and hang in 7" casing
12. Selectively perforate the liner in the Fruitland between 3425' and 3640'
13. Run tubing
14. Run pump/rods
15. Return well to production

Current WBD TANK MOUNTAIN B 1S



Proposed WBD TANK MOUNTAIN B 001S



Pump/Rods	Length
Polished Rod, 1.25" x 26'	26
Rods, 0.75" x 25', gr. D	3525
Stabilizer pony rod, 3/4" x 4'	4
Sinker bars, 1.25" x 25', gr. D	125
Stabilizer pony rod, 3/4" x 4'	4
Pump, RHAC, 2" x 1.25" x 16'	16

Fruitland Perforations (2015)

TBD

Major liner damage b/t 3400' - 3470'
Believe liner is parted @ 3470'

Fruitland Perforations (7/8/2003)

3425' - 3450'	2 spf
3525' - 3540'	2 spf
3608' - 3640'	2 spf

Frac'd w/ XL gel, 131k# 20/40
18k# w/ Propnet

Motherbore

Fruitland Perforations (12/2003)

3426' - 3448'	All @ 4 spf
3519' - 3534', 3548' - 3553',	
3608' - 3640'	

NAG - MASTER

**SAN JUAN SOUTH - BP
SEC 29 - T32N - R09W
TANK MOUNTAIN B 001 S**

01

Plan: Sidetrack 9/16/2015

Standard Survey Report

16 September, 2015

BP
Survey Report

Company:	NAG - MASTER	Local Co-ordinate Reference:	Well TANK MOUNTAIN B 001 S
Project:	SAN JUAN SOUTH - BP	TVD Reference:	WELL @ 6816.0usft (Original Well Elev)
Site:	SEC 29 - T32N - R09W	MD Reference:	WELL @ 6816.0usft (Original Well Elev)
Well:	TANK MOUNTAIN B 001 S	North Reference:	Grid
Wellbore:	01	Survey Calculation Method:	Minimum Curvature
Design:	Sidetrack 9/16/2015	Database:	EDM R5K - NAG PROD - NAGP1

Project	SAN JUAN SOUTH - BP, SAN JUAN SOUTH - BP		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		Using Well Reference Point
Map Zone:	New Mexico Western Zone		

Site	SEC 29 - T32N - R09W				
Site Position:		Northing:	2,529,521.49 usft	Latitude:	37° 57' 2.900 N
From:	Lat/Long	Easting:	2,733,703.89 usft	Longitude:	107° 47' 47.500 W
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.02 °

Well	TANK MOUNTAIN B 001 S					
Well Position	+N/-S	0.0 usft	Northing:	2,529,521.49 usft	Latitude:	37° 57' 2.900 N
	+E/-W	0.0 usft	Easting:	2,733,703.89 usft	Longitude:	107° 47' 47.500 W
Position Uncertainty		0.0 usft	Wellhead Elevation:	usft	Ground Level:	6,816.0 usft

Wellbore	01
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Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	BGGM2014	9/16/2015	9.65	64.39	50,857

Design	Sidetrack 9/16/2015				
Audit Notes:					
Version:	Phase:	PROTOTYPE	Tie On Depth:	3,250.0	
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)	
	0.0	0.0	0.0		0.00

Survey Tool Program	Date	9/16/2015			
From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description	
632.0	3,250.0	Survey #1 (OH)	INC1SBP	Inclinometer (5 deg unit 1 sigma)	

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
3,250.0	1.16	0.00	3,249.6	0.0	0.0	0.0	0.00	0.00	0.00
3,298.7	3.59	0.00	3,298.3	2.0	0.0	2.0	5.00	5.00	0.00
3,300.0	3.59	0.00	3,299.6	2.1	0.0	2.1	0.00	0.00	0.00
3,400.0	3.59	0.00	3,399.4	8.4	0.0	8.4	0.00	0.00	0.00
3,500.0	3.59	0.00	3,499.2	14.6	0.0	14.6	0.00	0.00	0.00
3,600.0	3.59	0.00	3,599.0	20.9	0.0	20.9	0.00	0.00	0.00
3,700.0	3.59	0.00	3,698.8	27.2	0.0	27.2	0.00	0.00	0.00
3,709.5	3.59	0.00	3,708.2	27.7	0.0	27.7	0.00	0.00	0.00
3,781.3	0.00	0.00	3,780.0	30.0	0.0	30.0	5.00	-5.00	0.00

BP
Survey Report

Company:	NAG - MASTER	Local Co-ordinate Reference:	Well TANK MOUNTAIN B 001 S
Project:	SAN JUAN SOUTH - BP	TVD Reference:	WELL @ 6816.0usft (Original Well Elev)
Site:	SEC 29 - T32N - R09W	MD Reference:	WELL @ 6816.0usft (Original Well Elev)
Well:	TANK MOUNTAIN B 001 S	North Reference:	Grid
Wellbore:	01	Survey Calculation Method:	Minimum Curvature
Design:	Sidetrack 9/16/2015	Database:	EDM R5K - NAG PROD - NAGP1

Design Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
- Shape									
PBHL	0.00	0.00	3,780.0	30.0	0.0	2,529,551.49	2,733,703.89	37° 57' 3.197 N	107° 47' 47.500 W
- plan hits target center									
- Point									

Checked By: _____ Approved By: _____ Date: _____

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 749-1293 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APT Number 30-045-31431		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 001158		⁵ Property Name Tank Mountain B			⁶ Well Number 001S
⁷ OGRID No. 000778		⁸ Operator Name BP America Production Company			⁹ Elevation 6815

¹⁰ Surface Location

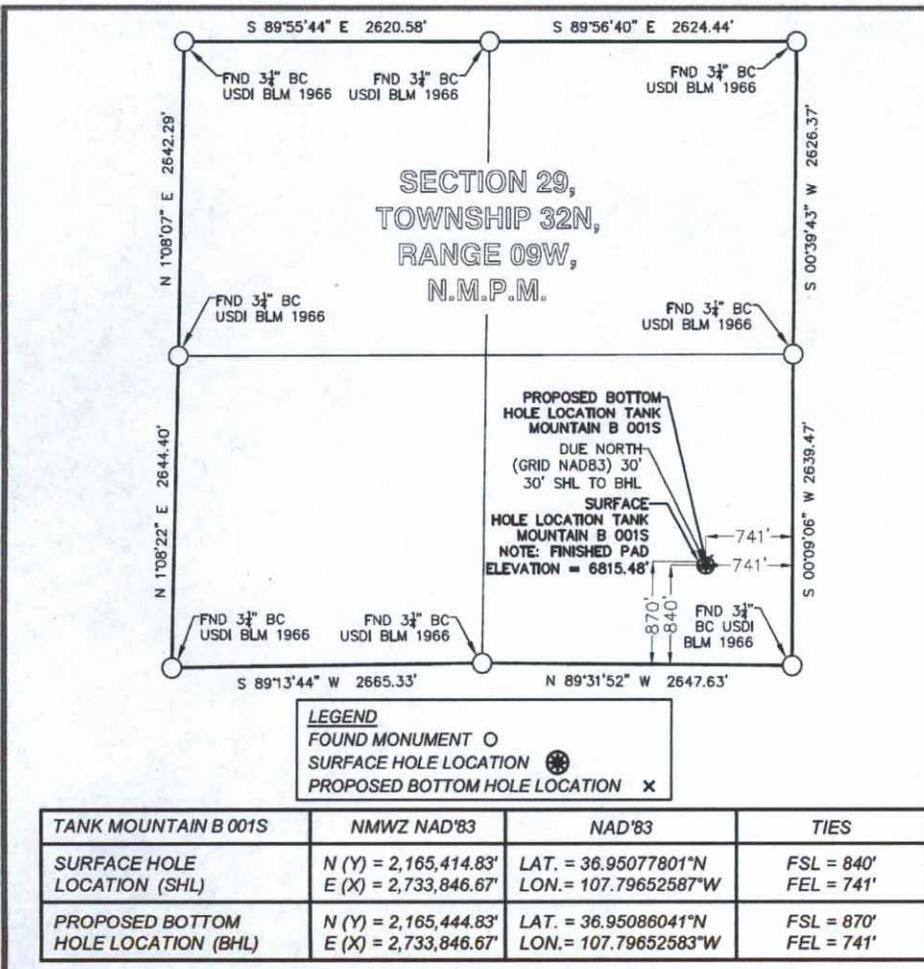
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P (Lot 16)	29	32N	09W		840	South	741	East	San Juan

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
P (Lot 16)	29	32N	09W		870	South	741	East	San Juan

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling agreement heretofore entered by the division.

Toya Colvin 9/30/15
Signature Date

Toya Colvin
Printed Name

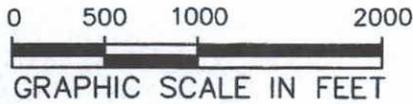
Toya.Colvin@bp.com
E-mail Address

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.

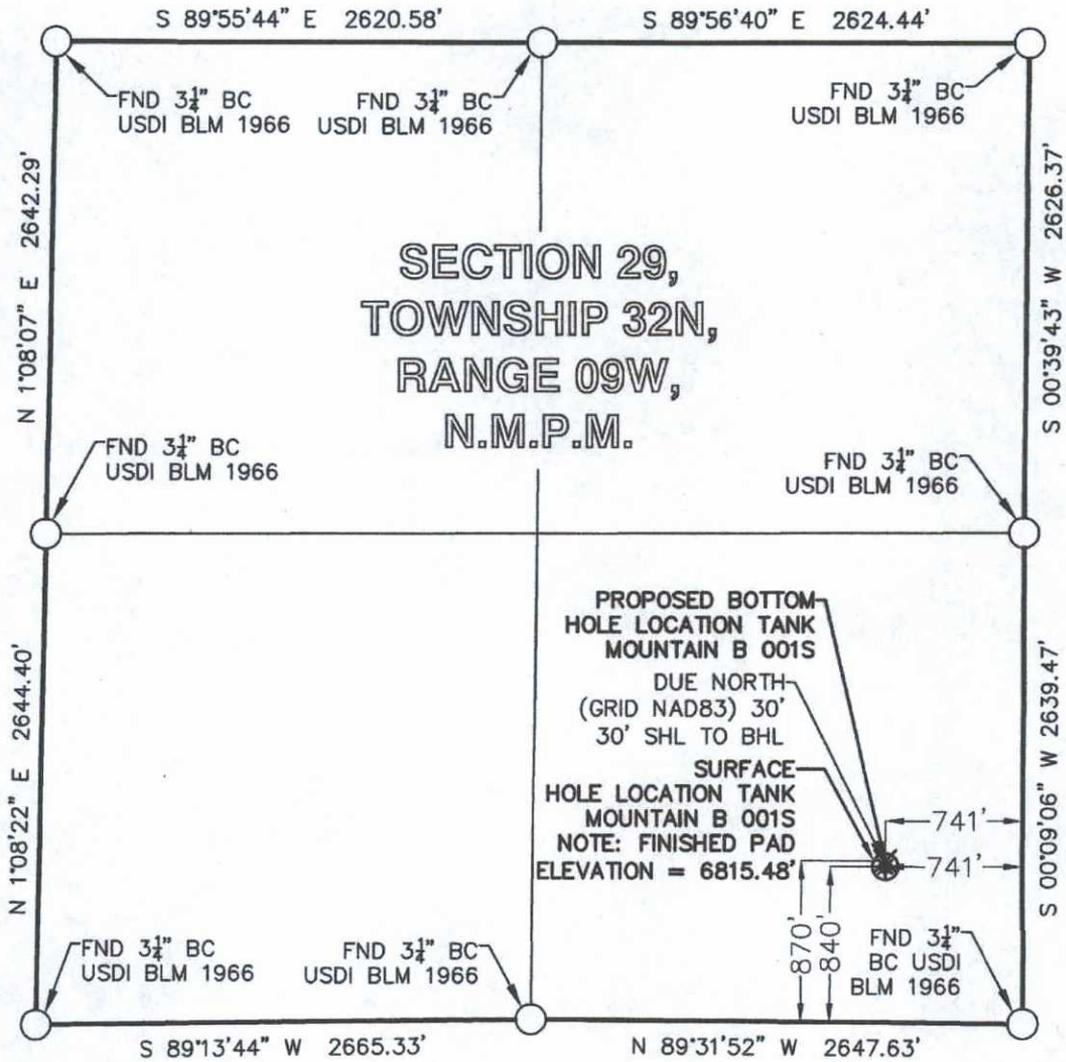
9-22-15
Date of Survey

Marshall W. Linden
Signature and Seal

17078
Certificate Number



LEGEND
FOUND MONUMENT ○
SURFACE HOLE LOCATION ●
PROPOSED BOTTOM HOLE LOCATION ×



TANK MOUNTAIN B 001S	NMWS NAD'83	NAD'83	TIES
SURFACE HOLE LOCATION (SHL)	N (Y) = 2,165,414.83' E (X) = 2,733,846.67'	LAT. = 36.95077801°N LON. = 107.79652587°W	FSL = 840' FEL = 741'
PROPOSED BOTTOM HOLE LOCATION (BHL)	N (Y) = 2,165,444.83' E (X) = 2,733,846.67'	LAT. = 36.95088041°N LON. = 107.79652583°W	FSL = 870' FEL = 741'

SURVEYOR'S CERTIFICATE

I, MARSHALL LINDEEN, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF NEW MEXICO, DO 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.



SURVEY NOTES

1. BEARING BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN DATUM OF 1983, NEW MEXICO STATE PLANE COORDINATE SYSTEM, NEW MEXICO WEST, ZONE 3003.
2. ELEVATION BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (GEOID12A).
3. SURVEYED IN THE FIELD ON 09/22/2015.
4. BEARINGS AND DISTANCE SHOWN ARE MEASURED IN THE FIELD UNLESS OTHERWISE NOTED.
5. ALL MEASURED DISTANCES SHOWN ARE GRID USING A COMBINED SCALE FACTOR 0.99959802.

	BP AMERICA PRODUCTION COMPANY US LOWER 48 ONSHORE
WELL LOCATION PLAT	
TANK MOUNTAIN B 001S PART OF SECTION 29, TOWNSHIP 32N, RANGE 09W, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO	

DRAWN BY CFW/RLM	CHECKED BY MWL	SCALE 1"=1000'	DATE 09/28/2015	SHEET 1 OF 1	REVISION
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Tank Mountain B 1S (30-045-31431)- 2003 Sidetrack Operations

November- December 2003

11/24/2003- 12/05/2003- JHA TO PULL TBG HANGER & TBG, PULL COMPLETION LAY/DOWN TBG, RU WIRELINE RUN GAUGE RING, SET CRBP @ 3380' PRESSURE TEST CASING & CRBP TO 750 PSI 30 MINS- PASSED, MILL FORMATION F/3381' TO 3386', TOH L/D MILL, TIH DRILL F/3380' TO 3671', DRILL F/3671' TO 3780', CIRCULATE TO CLEAN HOLE, TOH TO 3380', PU UNDERREAMER TOOLS, TIH BREAK CIRCULATION START UNDEREAM F/3395'-3407' AND 3407'-3583' AND 3583'-3780', CIRCULATE TO CLEAN HOLE, CAVITATE WELL W/ NATURAL BUILD UP, CAVITATE F/SURFACE TWO (2) CAVITATIONS, TIH TAG FILL @ 3761', C/O WELBORE F/3761' TO 3780', SERVICE RIG, C/O WELBORE @ 3780', TOH TO 3380', CAVITATE F/3380' FOUR (4) CAVITATIONS, CAVITATION F/3380' THREE (3) CAVITATIONS, TIH TAG FILL @ 3690', CLEAN/OUT WELBORE @ 3690' WELBORE SLUFF COAL PULL BACK TO 3661' C/O WELBORE F/3661' TO 3735' AND 3735'-3780', CAVITATE WELBORE F/3380' (8) CAVITATIONS, CLEAN OUT WELBORE, TOH, FLOW TEST, NATURAL CAVITATIONS, C/O, TOH

12/06/2003- CLEAN OUT WITH AIR MIST TO 3780', TOH STANDING BACK DP, L/D DC, RUN 5 1/2" J-55 15.5# CSG LINER @ 3780', WASH TO BOTTOM @ 3780'

12/07/2003- LAY/DOWN DP, PERFORATE WELL FROM 3426'- 3448', 3518'-3534', 3548'-3553', 3608'- 3640' W/TOTAL 300 SHOTS GUN SIZE 3.125"

12/08/2003- TIH CLEAN OUT 4' OF FILL, TRIP TO CHANGE OUT MULESHOE SUBS, TIH LAND 2 3/8" J-55 4.7# PRODUCTION TUBING @ 3724', N/D BOPE, INSTALL MASTER VALVE, RIG DOWN MOVE OFF LOCATION