RECEIVED

MAY 27 2016

Farmington Field Office
Bureau of Land Management

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

SUBMIT IN TRIPLICATE *– Other instructions on page 2.*

5. Lease Serial No.
NMSF078139

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
EE Elliott SWD 1

2. Name of Operator
BP America Production Company

9. API Well No.
30-045-27799

3a. Address
737 North Eldridge Parkway, 12.181A
Houston, TX 77079

3b. Phone No. *(include area code)*
281-892-5369

10. Field and Pool or Exploratory Area
SWD; Morrison Bluff Entrada

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
Sec. 26 T30N R09W NWNW 1270FNL 580FWL

11. County or Parish, State
San Juan, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice BP	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Step Rate Test
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 perform a step rate test on the subject disposal well. Please see the attached plan of operations.

See attached NMOCD
Step Rate Test Guidelines

Notify NMOCD 24 hrs prior to beginning operations

OIL CONS. DIV DIST. 3

JUN 03 2016

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
Toya Colvin

Title Regulatory Analyst

Signature Toya Colvin

Date 05/24/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
Abdelgadir Elmadani

Title PE

Date 5/31/16

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 FFO

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.

(Instructions on page 2)

NMOCD

4 KC

E E Elliot SWD
Morrison, Bluff, Entrada – Water injection
API# 30-045-27799
Unit D – Sec 26 – T30N – R09W
San Juan County, New Mexico

Step Rate Test Procedure:

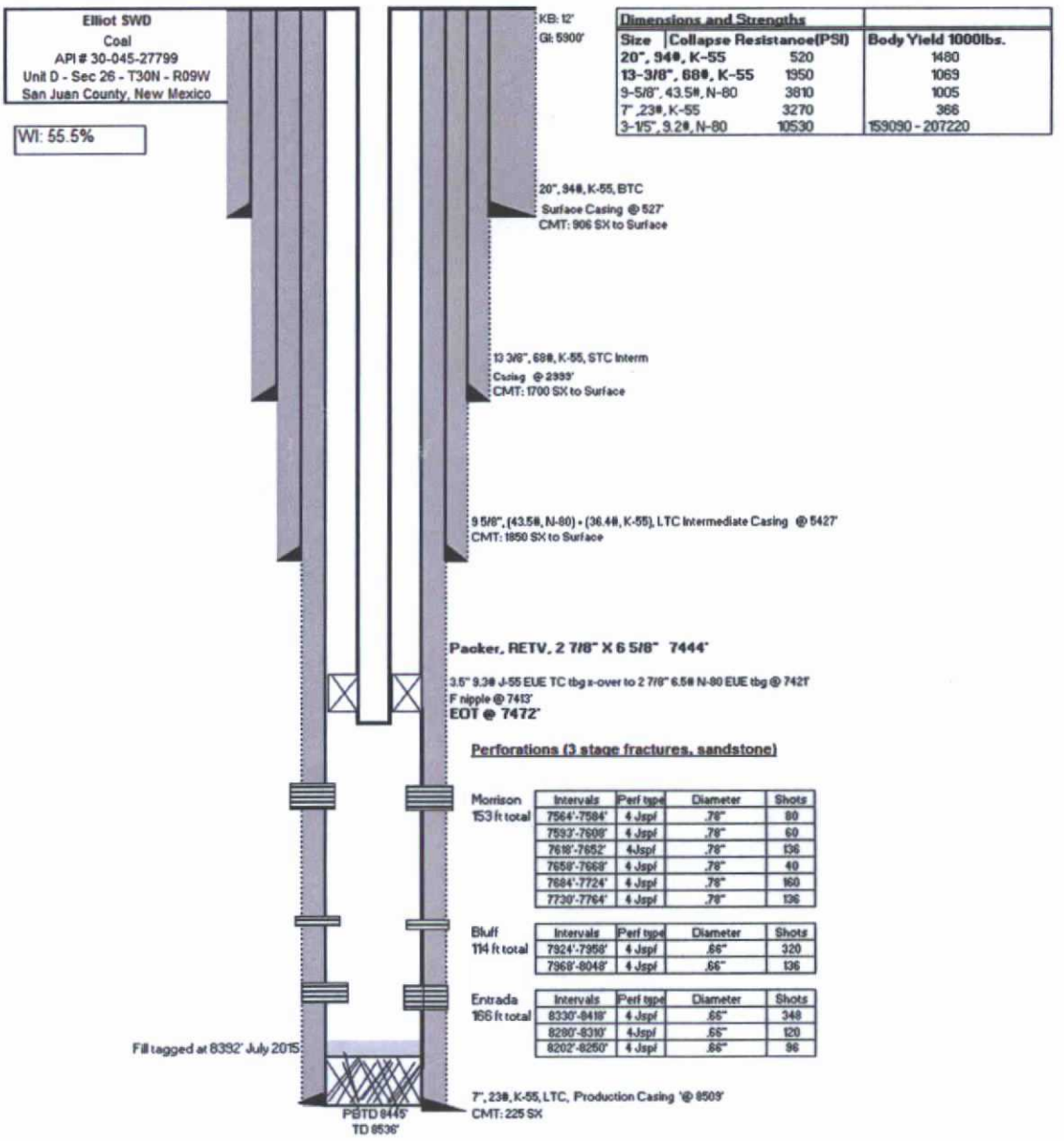
Prior to performing the step rate test, the building setting over the wellhead must be removed by a roustabout crew. Ensure that water storage tanks are completely full before initiating the step rate tests. Water storage capacity on location is 2000 bbls, available capacity for the test is 1000+ bbls. Must contact the NMOCD prior to the step rate test so that they can have a representative witness the test.

1. Shut-in well for 24 hours prior to running step rate tests.
2. RU wireline unit and lubricator. Trip in hole with tandem pressure bombs capable of measuring pressure from 0 psig to 10,000 psig. Land bombs in 2.25" ID F-seating nipple. Record the exact time that the gauge is set in the seating nipple.
    - The gauge should allow water to pass by
    - Program bombs to take readings every 5 seconds throughout the test.
3. RU pump trucks (if required provide second pump truck to span range of injection rates for step rate test). Tie suction to disposal tanks and discharge to tubing. Pressure test lines and connections. Monitor casing and bradenhead pressures during the test.
4. Perform step rate test as follows:

Step	Time	Injection (BPM)	Rate (BWPD)	Cum Inj Vol BW
1	20 min	0.3	432	6
2	20 min	0.6	864	12
3	20 min	0.9	1296	18
4	20 min	1.2	1728	24
5	20 min	1.5	2160	30
6	20 min	1.8	2592	36
7	20 min	2.1	3024	42
8	20 min	2.4	3456	48
9	20 min	2.7	3888	54
10	20 min	3.0	4720	60
11	20 min	3.3	4752	66
12	20 min	3.6	5184	72
13	20 min	3.9	5616	78
14	20 min	4.2	6048	84
Elapsed time: 280 min				**Total = 630 bbls**

- Continuously monitor surface injection pressure and rate in a digital format.
- It is critical to maintain the set time-steps. Do not shorten or lengthen the time steps.
- Once an injection rate has been established at or near the requested rate, every effort must be made to keep the rate constant.

5. Shut down and record ISIP.
6. After performing the step rate test, trip out of hole with pressure gauges.
7. Perform Mechanical Integrity Test following New Mexico Oil Conservation Division guidelines.
8. Return well to injection.



Dimensions and Strengths		
Size	Collapse Resistance(PSI)	Body Yield 1000lbs.
20", 94#, K-55	520	1480
13-3/8", 68#, K-55	1950	1069
9-5/8", 43.5#, N-80	3810	1005
7", 23#, K-55	3270	366
3-1/5", 9.2#, N-80	10530	159090 - 207220

Guidelines for conducting step-rate tests

The operator must submit a written procedure and rig-up diagram to the OCD at least 24 hours before starting the test. The procedure will contain the following information:

A description of the mechanical configuration of the well.
The history of injection pressures and volumes.
The history of any fracture treatments and pressures especially ISIP.

A bottom hole pressure recorder will be required for wells deeper than 2000' and injection rates greater than 1 BPM.

A pressure gauge and recorder of the appropriate range will be used during the test.

Wells currently injecting must be shut-in at least 24 hours before the test unless the shut-in pressures indicate that the well has not adequately stabilized and a longer time is necessary.

Starting pump rates and pressures must be lower than the current rates and pressures if the well is currently injecting and there must be at least 3 steps below the .2psi/ft gradient and 3 steps above the break-over point. Wells that are not fractured should not be tested at pressures that exceed the fracture gradient.

Pumping equipment must be able to pump at the rates and pressures needed for the test.

Rate changes will be .5bpm or smaller unless the OCD witness determines that bigger rate changes are necessary due to small incremental increases in pressure.

Each step will be at least 15 minutes in duration unless otherwise determined by the OCD. Step duration must not be changed during the test.

The operator must have enough water on hand for the test.

The casing and bradenhead pressures will be monitored during the test.

All wellhead equipment must be rated for the anticipated pressures.