

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED  
OMB No. 1004-0135

Expires November 30, 2000

AUG 2006

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>SF - 078903</b>
2. Name of Operator <b>BP America Production Company Attn: Cherry Hlava</b>		6. If Indian, Allottee or tribe Name
3a. Address <b>P.O. Box 3092 Houston, TX 77253</b>	3b. Phone No. (include area code) <b>281-366-4081</b>	7. Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>990' FSL &amp; 990' FWL Sec 35 T28N R12W</b>		8. Well Name and No. <b>Gallegos Canyon Unit 57</b>
		9. API Well No. <b>30-045-06976</b>
		10. Field and Pool, or Exploratory Area <b>Basin Fruitland Coal &amp; PC</b>
		11. County or Parish, State <b>San Juan, New Mexico</b>

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR 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 type="checkbox"/> Abandon
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Water Disposal	
	<input type="checkbox"/> Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Other	<b>Request to Reinstate DHC</b>

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 recompleat 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 recompleat 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.

Please Reference OCD DHC 571AZ approved 11/26/2001 & cancelled 7/29/02. BP America respectfully requests this DHC be reinstated with the following revision:

Production is proposed to be allocated based on the subtraction method using the projected future decline for production from the Fruitland Coal. That production shall serve as a base for production subtracted from the total production for the commingled well. The balance of the production will be attributed to the Kutz Pictured Cliffs.

Please see attached decline

OCD Request to reinstate DHC 571AZ Filed 8-16-06

14. I hereby certify that the foregoing is true and correct			
Name (Printed/typed) <b>Cherry Hlava</b>	Title <b>Regulatory Analyst</b>		
Signature <i>Cherry Hlava</i>	Date <b>8/1/2006</b>		
<b>THIS SPACE FOR FEDERAL OR STATE OFFICE USE</b>			
Approved by <i>Jim Lovato</i>	Title <i>Petr. Eng.</i>	Date <b>8/25/06</b>	
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.			
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.			

NMOCD

**Gallegos Canyon Unit 57**  
**Fruitland Coal Formation**  
**API # 3004506976**

Starting 9/05 thru 6/09 projected forward 1 year to 9/06 thru 6/10

Exponential Decline

Qi = 20.1362 mcf/d 1-Sep-2006

Qf = 1.9 mcf/d

D = 46.49% per year

Date	Gas Rate mcf/d	Gas Volume MMSCF
Jan-06	0.00	0.00
Feb-06	0.00	0.00
Mar-06	0.00	0.00
Apr-06	0.00	0.00
May-06	0.00	0.00
Jun-06	0.00	0.00
Jul-06	0.00	0.00
Aug-06	0.00	0.00
Sep-06	19.64	0.59
Oct-06	18.64	0.58
Nov-06	17.69	0.53
Dec-06	16.79	0.52
Jan-07	15.92	0.49
Feb-07	15.14	0.42
Mar-07	14.39	0.45
Apr-07	13.66	0.41
May-07	12.96	0.40
Jun-07	12.30	0.37
Jul-07	11.68	0.36
Aug-07	11.07	0.34
Sep-07	10.51	0.32
Oct-07	9.98	0.31
Nov-07	9.47	0.28
Dec-07	8.99	0.28
Jan-08	8.52	0.26
Feb-08	8.10	0.23
Mar-08	7.70	0.24
Apr-08	7.31	0.22
May-08	6.94	0.22
Jun-08	6.58	0.20
Jul-08	6.25	0.19
Aug-08	5.93	0.18
Sep-08	5.62	0.17
Oct-08	5.34	0.17
Nov-08	5.07	0.15

Date	Gas Rate mcf/d	Gas Volume MMSCF
Dec-08	4.81	0.15
Jan-09	4.55	0.14
Feb-09	4.32	0.13
Mar-09	4.10	0.13
Apr-09	3.90	0.12
May-09	3.70	0.11
Jun-09	3.51	0.11
Jul-09	3.33	0.10
Aug-09	3.16	0.10
Sep-09	3.00	0.09
Oct-09	2.85	0.09
Nov-09	2.70	0.08
Dec-09	2.57	0.08
Jan-10	2.44	0.08
Feb-10	2.32	0.06
Mar-10	2.21	0.07
Apr-10	2.09	0.06
May-10	1.99	0.06
Jun-10	0.65	0.02