Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO.
30-045-20285

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
Gallegos Canyon Unit

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number **262**

2. Name of Operator
BP America Production Company

9. OGRID Number
000778

3. Address of Operator
P.O. Box 3092 Houston, TX 77253 Attn: Cherry Hlava

10. Pool name or Wildcat
Basin Dakota

4. Well Location
Unit Letter **N** : **1040** feet from the **South** line and **1450** feet from the **West** line
Section **24** Township **29N** Range **13W** NMPM County **San Juan**

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
5304 GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type_____ Depth to Groundwater_____ Distance from nearest fresh water well_____ Distance from nearest surface water_____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☒	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER:	☐			OTHER:	☐		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

RCVD JAN 16 '08
OIL CONS. DIV.
DIST. 3

January Compliance Well

Request to P&A was submitted on 8/6/04 and approval granted Aug. 9, 2004. Well produced off and on for brief periods of time and now has bradenhead and casing leak issues.

BP has reviewed this well and finds no further Dakota or uphole potential. The PC and FC are already producing in this quarter section and there is no Farmington potential.

BP respectfully requests permission to plug and abandon subject well. Please see attached updated P&A procedure.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.**

SIGNATURE *Cherry Hlava* TITLE Regulatory Analyst DATE 1/11/08

Type or print name Cherry Hlava E-mail address: hlavacl@bp.com Telephone No. 281-366-4081

For State Use Only

APPROVED BY: *A. Villanueva* TITLE Deputy Oil & Gas Inspector, District #3 DATE JAN 18 2008

Conditions of Approval (if any):

SJ Basin Plugging Procedure

Well Name: GCU 262 – DK **API #:** 30-045-2028500
Date: Jan 3, 2007
Location: T29N-R13W-Sec24
County: San Juan
State: New Mexico
CO2: 0.126%
H2S: None known

Engr: Kegan Rodrigues
Cell (713) 540-8434
Office (281) 366-3457

Objectives

P&A Wellbore. Locate TOC on 4 -1/2" casing. Ensure interval isolation throughout the wellbore. Locate and plug off casing/bradenhead leak:

1. POH with completion string.
2. Clean out wellbore.
3. Set CIBP and pressure test wellbore.
4. Run CBL on 4-1/2" casing.
5. Set cement plugs to isolate intervals.
6. Locate and isolate/close-off bradenhead leak.
7. Rig Down, Move out.
8. Restore location as specified.

History: Well was spudded on 06/01/1968 and completed on 7/02/1968. Rods and pump removed from well on 7/20/2005 and master valve and wing valve installed. Well has had a history of bradenhead issues and a casing leak is suspected; test results have shown steady gas flow on BH.

Pertinent Information

Gas BTU content for this well is 1240, Sp gr. is 0.7189 (7/13/2005). Venting and Flaring document needs to be followed with the assumption that BTU content is above 950.

Date	Tubing	Casing	BH	BH Flow Test
11/2/07	550	550	195	Steady Gas
9/14/06	SI	25	280	Steady Gas
5/14/03	SI	1090	255	Gas for 60s
5/1/03	SI	1080	215	Gas for 2 mins
7/15/02	33	1098	312	Blew Down 47s
2/22/01	640	640	264	Blew Down immediately

Procedure

Preparations:

1. Contact BLM and NMOCD 24 hrs before beginning P&A process to ensure scheduling of personnel to witness casing pressure testing, CBL results and cement placement.

2. Perform pre-rig site inspection. Per Applicable documents, check for: (1) size of location, (2) gas taps, (3) other wells, (4) other operators, (5) production equipment, (6) wetlands, (7) wash (dikes requirements), (8) H2S, (9) barriers needed to protect equipment, (10) landowner issues, (11) location of pits (buried or lines in pits), (12) raptor nesting, (13) critical location, (14) check anchors, (15) ID wellhead, etc. Allow 48 hours for One Call if earth pit is required.

3. Have location stripped prior to rig move as this is a final wellbore P&A.

4. Perform second site visit after lines are marked to ensure all lines on locations are clearly marked and that Planning & Scheduling has stripped equipment and set surface barricades as needed.

5. Notify land owners with gas taps on well.

6. Lock out/tag out any remaining production equipment.

7. Check gas H2S content and treat if the concentration is > or equal to 10 ppm. Treat for H2S, if necessary per H2S Wells NOTICE. **Note: No H2S is expected at this wellsite location.**

8. Nipple up second master valve on well. Reference dispensation to rig up on well with single barrier.

9. RU slickline unit or wireline unit. RIH with gauge ring and tag for fill and or any obstructions in tubing. RIH and set tubing stop and "G" packoff with pump through plug for isolation, in tubing at 910'. Dakota pressure is estimated to be 400 psi.

10. Set two way check valve in BPV profile. If BPV profile is not present, then set a second tubing stop and "G"packoff with a positive plug at +/- 100'.

Rig Operations:

11. MIRU workover rig. Hold safety meeting and perform JSA. Complete necessary paperwork and risk assessment. Ensure all necessary production equipment is isolated (LOTO) including, but not limited to the meter run, automation, and separator, etc.

12. Check and record tubing, casing and bradenhead pressures daily. Ensure production casing and bradenhead valves are double valved. Double valve all casing strings. Check hold down pins on hanger.

13. Pressure test tree and hanger to 200 psi above SITP. Make up 3" flowback line, if necessary and blow down well. Kill with 2% KCL water or fresh water, as necessary. Check all casing

strings to ensure no pressure exist on any annulus.

14. Nipple down Wellhead. Reference "No Dual Barrier in Annulus During All Well Servicing" dispensation. NU BOPs and diversion spool with 3" outlets and 3" pipe to the blow tank. Pressure test BOPs to low of 200 psi and high of 1000 psi. Monitor flowing casing pressure with gauge (with casing flowing to blow tank), if available, throughout workover.

15. Install stripping rubber. Pull tubing hanger up to rubber and shut pipe rams. Bleed pressure above rams. Pull stripping rubber and hanger up to floor. Remove hanger and replace stripping rubber.

16. TOOH w/ 2-3/8 production tubing currently set at 5828'. Use approved "Under Balance Well Control Tripping Procedure". Visually inspect tubing while POOH. WSL leader should determine whether or not current tubing is suitable to be used as workstring

17. TIH w/ bit & scraper for 4-1/2" casing to the top of the Dakota perfs at 5690' and clean out wellbore.

18. RIH with workstring (2-3/8" tubing) with 4- ½" CIBP on end and a packer approx. one joint above (~30') the CIBP. Set the CIBP @ 5640'. TOH one joint and set packer.

19. Load hole and circulate out any produced fluids. Pressure test 4-1/2" casing above and below packer to 500 psi for 30 minutes. Monitor pressure loss and bradenhead for any indication of communication during testing. If the pressure does not hold above the packer, then proceed to isolate leak by moving packer up hole in "half intervals" and repeating pressure test of packer until leak is found. Report pressure testing results and bradenhead pressure and bleed details to the BLM, NMOCD, and Engineer.

20. **Note: Leak is presumed to be in the surface casing, shallow interval. The next steps assume that the leak is above the surface casing shoe and the procedure thus far has been written up with the leak being isolated in the shallow interval. This may change based on the pressure testing results and the CBL run. Consult with the engineer during this process.**

21. RU wireline and run Schlumberger USIT/CBL for 4-1/2" casing from 5640' to surface. Report casing load, cement quality, and pressure test results, bradenhead pressure and bleed details, and TOC to the BLM, NMOCD, and Engineer.

22. **Note: Based on 4-1/2" USIT/CBL results it will be determined if and where cement will be required behind casing to repair the possible casing leaks and fix stringy cement. The next steps listed below assume good cement and that the TOC behind the 4 1/2" casing is at the estimated depth of 14'. The order and detail of the next steps can change based on the casing pressure test and USIT/CBL results. Consult with the engineer throughout the procedure.**

Cementing:

23. RIH with 2-3/8" open-ended workstring to 5640'. Spot 205' or ~19 cu. ft. of G-Class cement on top of CIBP from 5640'-5435'. This will isolate the Dakota and Greenhorn intervals. WOC.

24. POOH to 4823'. Pump and displace a 150' or ~14 cu. ft of G-Class from 4823' to 4673'. This will isolate the Gallup formation.

25. POOH to 3511'. Pump and displace a 150' or ~14 cu. ft of G-Class cement from 3511' to 3361'. This will isolate the Point Lookout formation.

26. POOH to 2852'. Pump and displace a 350' or ~32 cu. ft G-Class cement plug from 2852' to 2502'. This will isolate the Mennefee and Cliff House formation.

27. POOH to 1156'. Pump and displace a 197' or ~18 cu. ft G-Class cement plug from 1156' to 959'. This will isolate the Picture Cliffs and Fruitland formation.

28. If leak is located, try to establish an injection rate into the leak and attempt to circulate to surface.

29. If injection rate cannot be established then POOH w/ workstring. RU wireline w/ perforating gun and RIH to leak point and perforate 4-1/2" casing at shoe with 4SPF and POOH with guns. RD wireline.

24. RIH w/ 2-3/8" workstring and 4-1/2" cement retainer and set 50' above squeeze holes. Stab into retainer and pump sufficient cement to attempt to circulate to surface behind 4-1/2" casing. When cement to surface is obtained, shut bradenhead valve and attempt to walk squeeze to obtain a ~500 psi squeeze pressure. WOC. Consult with engineer during squeeze work.

25. If squeeze is unsuccessful then try to pump cement from surface down bradenhead. Note: this will be contingent up cement results from CBL testing.

26. Pressure test squeeze to 500 psi. If squeeze does not test, contact engineer. Engineer will work with NMOCD/BLM on repairing the leak. Procedures may have to be modified per the NMOCD/BLM.

27. Un-stab from retainer and spot a cement plug, G-Class cement, from top of retainer to the surface if ~300' from surface. POOH w/ work string and top off 4-1/2". This will fill the 4-1/2" casing to the surface.

28. If cement cannot be seen on all annulus and casing strings after removing wellhead, remedial cementing at the surface will be required.

29. Install 4' well marker and identification plate per NMOCD requirements.

30. RD and release all equipment. Remove all Wells Team LOTO equipment.

31. Ensure all well work details and well bore equipment report are entered in DIMS. Print DIMS summary of work and wellbore diagram and put in well file. Notify Sherri Bradshaw and Cherry Hlava of completed P&A for final regulatory agency reporting and database clearing.

32. Submit work request to Planning and Scheduling to prepare location for reclamation and reseeding.

bp

CURRENT WELLBORE

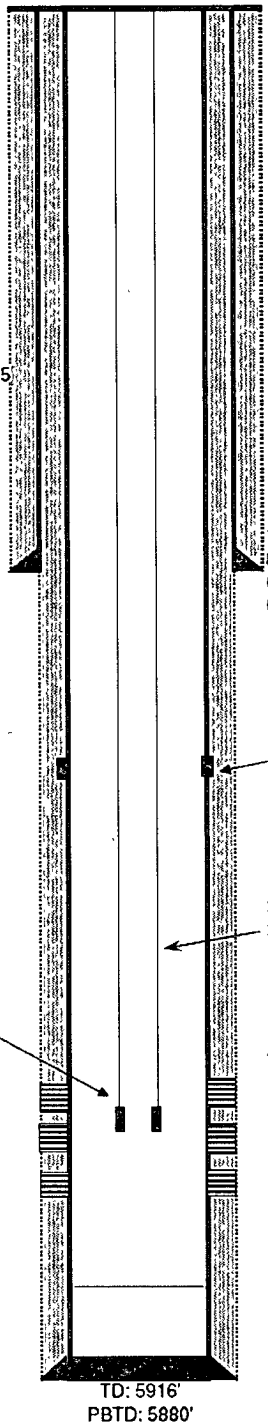
Gallegos Canyon Unit 262
Dakota Basin
API # 30-045-2028500
1040 FSL & 1450 FWL
Sec 24, T-29-N, R-13-W
San Juan County, New Mexico

G.L. 5290'
K.B. 5304'

Well History:
Spudded on 6/1/68
Completed in DK on 7/2/68
Cut paraffin 6 times from 7/28/71-6/3/76
Repaired & replaced rods and pump 2/6/96
Pulled rods & added master & wing valve to tubing 7/20/05

Formation Tops:

Ojo Alamo	Surface
Kirtland	Surface
Fruitland	1109
Picture Cliffs	1156
Lewis Shale	1274
Cliff House	2652
Mennefee	2852
Point Lookout	3511
Mancos	3912
Gallup	4823
Greenhorn	5587
Graneros Dak	5643
Main Dakota	5698



12 1/4" Hole
8 5/8", J-55, 24# @ 518'
Cmt w/ 355 sxs neat cement
Cement to surface

DV Tool @ 4013'

2-3/8" tubing
2.375 X 1.780 X 12, EUE @ 5828'
Master and wing valve on tubing

Seating nipple @ 5827'
I.D. 1.780"

Dakota Perforations
5690'-5724', 5770'-5812'

5696'-5701', 5715'-5720' @ 2SPF
Fracd w/ 28,560 gals wt x 10,000 lb 20-40 sand
& 20,000 lb 10-20 sand

5773'-5778', 5785'-5790', 5805'-5810' @ 4SPF
Fracd w/ 38,640 gals wt x 20,000 lb 20-40 sand
& 20,000 lb 10-20 sand

7 7/8" Hole
4 1/2", J-55, 10.5# @ 5914'
1st stage: 450 sx w/ 6% gel & 2# Tuf-Plug per sx
tailed with 100 sx neat cement
2nd stage: 1450 sx w/ 6% gel & 2# Tuf-Plug per sx

TD: 5916'
PBTD: 5880'

Kegan Rodrigues 12/20/07

bp

PROPOSED WELLBORE

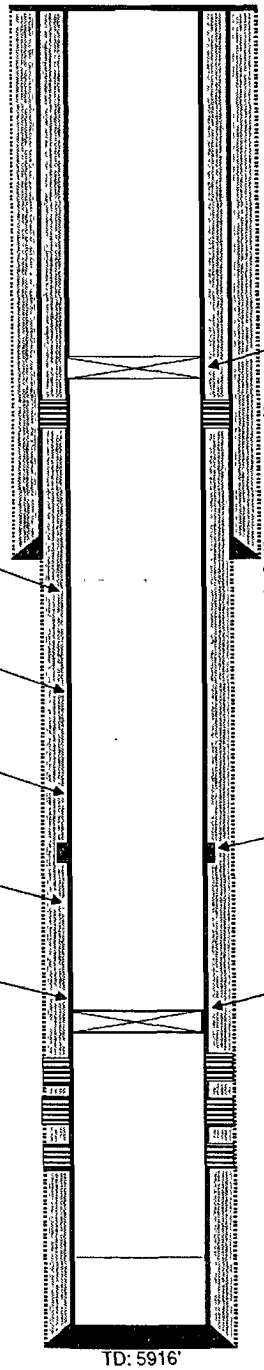
Gallegos Canyon Unit 262
Dakota Basin
API # 30-045-2028500
1040 FSL & 1450 FWL
Sec 24, T-29-N, R-13-W
San Juan County, New Mexico

G.L. 5290'
K.B. 5304'

Well History:
Spudded on 6/1/68
Completed in DK on 7/2/68
Cut paraffin 6 times from 7/28/71-6/3/76
Repaired & replaced rods and pump 2/6/96
Pulled rods, added master & wing valve to tub 7/20/05

Formation Tops:

Ojo Alamo	Surface
Kirtland	Surface
Fruitland	1109
Picture Cliffs	1156
Lewis Shale	1274
Cliff House	2652
Mennefee	2852
Point Lookout	3511
Mancos	3912
Gallup	4823
Greenhorn	5587
Graneros Dak	5643
Main Dakota	5698



Picture Cliffs & FC Plug
TOC @ 959'
197 ft, 18 cu. ft
G-Class cement

Men & Clfh Plug
TOC @ 2502'
350 ft, 32 cu. ft
G-Class cement

Point Lookout Plug
TOC @ 3361'
150 ft, 14 cu. ft
G-Class cement

Gallup Plug
TOC @ 4673'
150 ft, 14 cu. ft
G-Class cement

Dakota Plug
TOC @ 5435'
205 ft, 19 cu. ft
G-Class cement

Proposed wellbore pictured here is based on good cement to surface results obtained from USIT/CBL logs. Plugging plan and wellbore sketch is subject to change.

Cement Retainer @ 300'

Squeeze Holes @ 350'

12 1/4" Hole
8 5/8", J-55, 24# @ 518'
Cmt w/ 355 sxs neat cement
Cement to surface

DV Tool @ 4013'

CIBP @ 5640'

Dakota Perforations
5690'-5724', 5770'-5812'

5696'-5701', 5715'-5720' @ 2SPF
Fracd w/ 28,560 gals wt x 10,000 lb 20-40 sand
& 20,000 lb 10-20 sand

5773'-5778', 5785'-5790', 5805'-5810' @ 4SPF
Fracd w/ 38,640 gals wt x 20,000 lb 20-40 sand
& 20,000 lb 10-20 sand

7 7/8" Hole
4 1/2", J-55, 10.5# @ 5914'
1st stage: 450 sx w/ 6% gel & 2# Tuf-Plug per sx, tailed with 100 sx neat cement
2nd stage: 1450 sx w/ 6% gel & 2# Tuf-Plug per sx

TD: 5916'
PBTD: 5880'

Kegan Rodrigues 12/20/07