Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

5 Lease Serial No

SUNDRY Do not use thi		NMSF079244A 6. If Indian, Allottee or Tribe Name					
abandoned we	o. 11 maian, Anow	ee of Thoe Name					
SUBMIT IN TRI	7. If Unit or CA/A	7. If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. GALLEGOS CANYON UNIT 36					
1. Type of Well							
Oil Well Gas Well Oth							
2. Name of Operator BP AMERICA PRODUCTION		9. API Well No. 30-045-07330-00-S1					
3a. Address HOUSTON, TX 77253		3b. Phone No (include area coo Ph: 281-366-4081	BASIN FRUI	10. Field and Pool, or Exploratory BASIN FRUITLAND COAL WEST KUTZ PICTURED CLIFFS			
Location of Well (Footage, Sec., T	., R., M , or Survey Description	n)	11. County or Pari	11. County or Parish, and State			
Sec 19 T28N R12W SENE 17 36.65007 N Lat, 108.14690 W			SAN JUAN C	SAN JUAN COUNTY, NM			
12. CHECK APPI	ROPRIATE BOX(ES) TO	O INDICATE NATURE OF	NOTICE, REPORT, OR OTH	IER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION						
NI-4'CI 4	Acidize	Deepen	Production (Start/Resume)	Water Shut-Off			
Notice of Intent	Alter Casing	Fracture Treat	☐ Reclamation	☐ Well Integrity			
☐ Subsequent Report	Casing Repair	New Construction	Recomplete	Other			
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon	_			
_	Convert to Injection	Plug Back	☐ Water Disposal				
Attach the Bond under which the wo following completion of the involved	rk will be performed or provided operations. If the operation repandonment Notices shall be final inspection.)	e the Bond No on file with BLM/B esults in a multiple completion or re- iled only after all requirements, incl	isured and true vertical depths of all p IA Required subsequent reports shal completion in a new interval, a Form uding reclamation, have been completed	l be filed within 30 days 3160-4 shall be filed once			
			omont				
This revision to original T&A is Please see attached revised p	-	material transfer	eo e vom				
@281-366-6207			and the state of t				
			promis frames	ST. 2			
s							
14. I hereby certify that the foregoing is	true and correct.	#76531 verified by the BLM We	all Information System				
С	For BP AMERIC	A PRODUCTION CO, sent to the occasing by JIM LOVATO on 1	he Farmington				
Namc (Printed/Typed) CHERRY	HLAVA	Title REGU	JLATORY ANALYST				
Signature (Electronic S	Submission)	Date 10/30/	/2009				
	THIS SPACE F	OR FEDERAL OR STATI	OFFICE USE				
Approved By JIM LOVATO		TitlePFTROL	EUM ENGINEER	Date 10/30/2			
· _	·						

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.

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

SJ Basin Revised Plugging Procedure 30-045-07330

Engr: Nona Morgan

ph (281) 366-6207

Well Name: GCU 36

Date:

October 30, 2009

Location:

T28N-R12W-Sec19

County:

San Juan New Mexico

State: Pipeline:

Enterprise

Horizon:

FT

1.33%

Yes

CO2%: H2S:

Objective: Cement Squeeze for Holes in Casing

- 1. Check pressures and monitor carefully for Hydrogen sulfide gas.
- 2. Cleanout wellbore
- 3. RIH and tag bottom cement plug location. POH
- 4. RIH and spot 2-3 bbls (150') of cement on top of bottom c emant

- 5. Pu + PT, Do not drill out
 6. RIH w/ RBP @ 340. 3 4 15 300') of cement on top of RBP. Perform squeeze.
- 7. PU slowly and pressure test. Do not drill out.
- 8. Notify BLM & NMOCD
- 9. Perform pressure test casing and run MIT
- 10. If casing passes, RDMO. Otherwise, discuss options w/NMOCD

Well History: Spud date is 05/1953. 8/2002 - Fish and replace holey tubing. Perform cleanout. 11/2006 - Attempted to swab well, no fluid found, 12/2006 Pulled tubing, ran scraper across perfs, tag for fill, no fluid 2/14/07 - Ran flowing gradient survey, no fill, no fluid indicated. 4/2008 - Acid and methanol treatment.

Preparations

Wellsite Preparations and Agency Notifications:

NOTE: THIS WELL PRODUCED H2S DURING THE LAST INTERVENTION. TAKE SAFETY PRECAUTIONS!!! PROPER PPE SHOULD BE WORN ALONG WITH WELL CALIBRATED H2 S **MONITORS**

Notify the following Inspectors 48 hours before working on the well;

Charlie Perrin 505-334-6178 ext. 11 or Kelly Roberts 505-334-6178 ext. 16 (NMOCD) Steve Mason/ Jim Lovato 505-599-6364 (BLM)

- 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.
- Identify wellhead for proper flange connections and BOP equipment.

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- 4. Work with GCU through CoW and w/P&S to develop a plan to move or temporarily relocate equipment that prohibits well servicing/plugging objectives.
- 5. Notify land owners with gas taps on well.
- 6. Perform and second site visit after lines are marked to ensure all lines locations are clearly marked and that Planning & Scheduling has stripped equipment and set surface barricades as needed.
- 7. Properly lock out/tag out any remaining production equipment. Ensure all necessary production equipment is isolated (LOTO) including, but not limited to the meter run, automation, and separator, etc.

Initial Well Checks & Preparations:

NOTE: Well contains 7" casing

- 8. **CAREFULLY** Check gas H2S content and treat if the concentration is > or equal to 10 ppm/Treat for H2S, if necessary per H2S Wells NOTICE. It may be necessary to work with Baker Petrolite to treat with H2S scavengers prior to working on this well again.
- 9. Hold safety meeting and perform JSA. Complete necessary paperwork and risk assessment.
- Check and record tubing, casing and bradenhead pressures daily. Ensure production casing and bradenhead valves are double valved. Double valve all casing strings. Check lock down pins on hanger.
- 11. 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.
- 12. Check that mechanical barriers plugs/bpv in tubing and tubing hanger or install "G" Packoff are set.
- 13. Blowdown and kill tubing and casing strings.

Spot Cement plug and squeeze.

- 14. RU W/L. RIH and tag cement plug at ~761'. RD W/L.
- 15. RIH w/open-ended 2-3/8" workstring to top of bottom cement plug and spot 2-3 bbls (150') of cement on top. Perform squeeze. WOC.

NOTE: DO NOT DRILL OUT LOWER CEMENT PLUG located at ~600' depth.'

- 16. Close blind rams and pressure to 500 psi. Check that pressure holds. If not, spot 1 more bbl of cement and pressure up again and check whether pressure holds. POH.
- 17. RIH w/ workstring and set 7" RBP or mechanical device at 340'. Test mechanical plug. POH.

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- 18. RIH w/ open-ended 2-3/8" workstring to 330'. Spot 3-4 bbls (300') of cement on top of RBP. Perform squeeze. WOC.
- 19. Close blind rams and pressure up to 500 psi. Check that pressure holds. If not, spot 1 2 more bbls of cement and pressure up to 500 psi and check that pressure holds. (Contact Engineer & BLM if can't get pressure to hold and see what are other options.)

NOTE: DO NOT DRILL OUT CEMENT PLUG located at 30'-330'

- 20. RU W/L. Tag top of cement. Record depth. RD W/L.
- 21. Prepare to perform MIT.

<u>Perform MIT as per Regulatory Requirements</u> 19.15.4.203 for Temporary Abandonment Approval

- 22. Notify appropriate Regulatory personnel (BLM & NMOCD) prior to performing MIT testing.
- 23. Load hole and circulate out any produced fluids. Pressure test wellbore to 500 psi for 30 minutes. Monitor bradenhead for indications of communication while this is being done.
 - Make sure all the necessary witnesses are present from regulatory agencies during the integrity tests
 - All casing valves should be opened before during and or immediately after the 30 minute pressure test
 - o Pressure drop should not be more than 10% over a 30 minute period.
 - Use a chart recorder to record the results of the MIT with a maximum 2-hr clock and max
 1000 psi spring which has been calibrated recently as per regulatory guidelines.
 - o Make sure all witnesses to the test sign the chart. Submit chart to Cherry Hlava for subsequent submittal of C-103 form for approval of the T&A.
- 24. At any point, if the tests fails consult with engineer and BLM/ NMOCD to take next steps. Note that there has been a history of casing problems with this well.

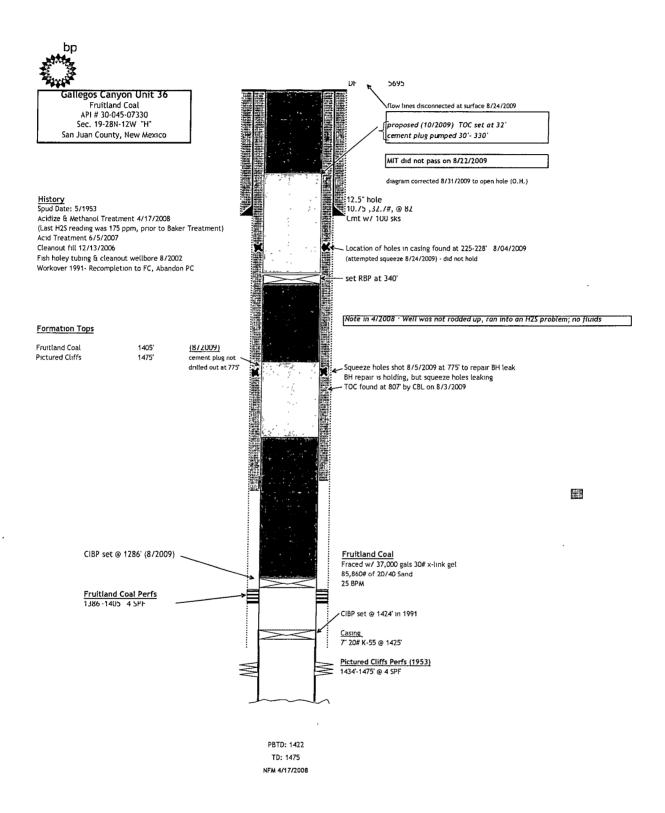
Prepare to possibly permanently plug and abandon well.

Shut-In Wellbore:

- 25. Once approval given by Regulatory to T&A the well, pump casing to load hole with inert fluid
- 26. Follow log out/tag out procedures for well and surface equipment.
- 27. Leave well shut in. RD MO service unit.
- 28. Restore location as necessary.

Current wellbore 5695 Gallegos Canyon Unit 36 Fruitland Coal flow lines disconnected at surface 8/24/2009 API # 30-045-07330 Sec. 19-28N-12W "H" San Juan County, New Mexico MIT did not pass on 8/22/2009 diagram corrected 8/31/2009 to open hole (O H.) History Spud Date: 5/1953 瓢12.5" hole 10./5 ,32./#, @ 82 Acidize & Methanol Treatment 4/17/2008 Lmt w/ 100 sks (Last H2S reading was 175 ppm, prior to Baker Treatment) Acid Treatment 6/5/2007 Cleanout fill 12/13/2006 Location of holes in casing found at 225-228' 8/04/2009 Fish holey tubing & cleanout wellbore 8/2002 (attempted squeeze 8/24/2009) - did not hold Workover 1991- Recompletion to FC, Abandon PC Note in 4/2008: Well was not rodded up, ran into an H25 problem, no fluids Formation Tops Fruitland Coal 1405 (8/2009) Pictured Cliffs 1475 cement plug not Squeeze holes shot 8/5/2009 at 775' to repair BH leak drilled out at 775 BH repair is holding, but squeeze holes leaking - TOC found at 807' by CBL on 8/3/2009 CIBP set @ 1286' (8/2009) Fruitland Coal Fraced w/ 37,000 gals 30# x-link gel 85,860# of 20/40 Sand 25 BPM Fruitland Coal Perfs 1386-14U5 4 SPF CIBP set @ 1424 in 1991 Casing 7" 20# K-55 @ 1425' Pictured Cliffs Perfs (1953) 1434'-1475' @ 4 SPF PBTD: 1422 TD: 1475 NFM 4/17/2008

Proposed T&A wellbore



San Juan - San Juan South

Country. UtilITED STATES
Region: NORTH AMERICA

County: SANJUAN State: * NEW MEXICO

Event: WORKGAER Event Start, 8/4/2009

Wellbore: ΘН Top TMD: 0.0 ft Bottom TMD. 0.0 ft Orig KB Blev. 0.00 ft Ground ⊞ev 0.00 ft

KB to GL:

Bu∗. Unit. NAG \$PU Perfusit Sanjuan Asset: Sanjuan South

Attet:

District: FARMINGTON

Objective: REPAIR - CASING LEAK Spud: 8/Missa

Mud Line Bev: 000,ft

RUTZ, WEST-PICTURED CLIFFS-GAS

Contractor: | REY ENERGY SERVICES

Perfinterval / SPF / Phasing Tubing/CT/SS Components Min ID Wellsketch 1 - TUBING HANGER, 2,375 X 7,0625 1.995 in 10.0 ft 1 - TU BING, 2.375, 4.7#, J-55, BUE T+C 1,995 in 11.0 ft 1 - TUBING SUB, 2,375 X 10 FT 1.995 in 41.9 ft 43 - TUBING, 2,375, 4,7#, J-55, BUE T+C 1.995 in 51.9 ft 775.6 ft - 776.6 ft - 4 /ft - 0.0 ° 1 - NIPPLE, PROFILE 'X", 2.375 OD, 1.875 ID 1 875 in 1,388.6 ft 1 - TUBING SUB, 2 375 X 4 FT 1.995 in 1,389.8 ft 1 - NIPPLE, PROFILE, "F", 2,375 OD, 1,780 ID 1.780 in 1,393.8 ft 1 - MULE SHOE, 2,375 1 995 in 1,394.6 ft

Strings/Assemblies in the Hole or8/21/2009

GCU 36

Event.

WORKOVER

Wellbore. OH

Event Dates 8/4/2009 to 8/21/2009

TUBING Install Date: 12/15/2006		Top. Botiç	10.00 ft m 1,396 6 ft		Status. Pulli Date.	INSTALLE <no data=""></no>		٠,	
Component Details	Size	Jts	Length	Weight	Grade	Threads	Min ID	Cond.	Comments
TUBING HANGER, 2,375 X 7,0625 TUBING, 2,375,47#, J-55, EUE T TUBING \$50B, 2,375 X 10 FT TUBING, 2,375,47#, J-55, EUE T NIPPLE, PROFILE, "Y. 2,375 OD, TUBING \$UB, 2,375 X 4 FT NIPPLE, PROFILE "F", 2,375 OD, MULE \$H0E, 2,375	7 027 in 2 375 in	1 43 1	1,00 ft 30,90 ft 10,00 ft 1,336 73 ft 1,20 ft 4,01 ft 0,78 ft 2,00 ft	0 00 lb/ft 4 70 lb/ft 0 00 lb/ft 4.70 lb/ft 0.00 lb/ft 0 00 lb/ft 0 00 lb/ft 0 00 lb/ft	J-55 J-55 J-55 J-55	EUE 8RD EUE T+C EUE T+C EUE 8RD EUE T+C EUE 8RD 8 RNO	1 995 in 1 995 in 1 995 in 1 995 in 1 995 in 1 875 in 1 780 in 1 995 in	S Y N S U U U U U S	