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

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 reverse side.

5. Lease Serial No.
NMSF078905

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other: INJECTION SWD-195

8. Well Name and No.
GALLEGOS CANYON UNIT 259WDW

2. Name of Operator
BP AMERICA PRODUCTION CO.
Contact: CHERRY HLAVA
E-Mail: hlavacl@bp com

9. API Well No.
30-045-20006-00-S2

3a. Address
200 ENERGY COURT
FARMINGTON, NM 87401

3b. Phone No. (include area code)
Ph: 281-366-4081

10. Field and Pool, or Exploratory
UNNAMED

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 14 T28N R12W SESE 0740FSL 0810FEL
36.65691 N Lat, 108.07428 W Lon

11. County or Parish, and State
SAN JUAN COUNTY, NM

12. CHECK 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	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
KR	☐ 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 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.)

Above mentioned well failed a pressure test @900 psi on the casing/packer in January 2010. Subsequently we are not allowed to inject water at that pressure. The well was worked over in 2005 to repair a leaking packer and suspect a similar problem this time.

Please see the attached procedure and if you have any questions please call Jesse Gracia @281-366-1946

RCVD MAR 23 '10
OIL CONS. DIV.
DIST. 3

MUST COMPLY WITH NMOCD RULES, 19.15.26.10 AND 19.15.26.11

* SEE CHANGES #27 *

14. I hereby certify that the foregoing is true and correct
Electronic Submission #83105 verified by the BLM Well Information System
For BP AMERICA PRODUCTION CO., sent to the Farmington
Committed to AFMSS for processing by STEVE MASON on 03/23/2010 (10SXM0119SE)

Name *(Printed/Typed)* CHERRY HLAVA — Title REGULATORY ANALYST

Signature (Electronic Submission) — Date 03/23/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON — Title PETROLEUM ENGINEER — Date 03/23/2010

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

BP - San Juan Wellwork Procedure

GCU 259 SWD - Repair

General Information:

Formation:	MV – Injector	**Job Objective:**	Test packer and casing
Project #:		**Date:**	Mar 18, 2010
Engineer:	Jesse Gracia	**p.** 281.366.1946	**c.** 713.828.0715
Production Contact:		**p.**	**c.**
Optimizer:	Butch Stavely	**p.** 505.793.1382	
Backup Engineer:	Nona Morgan	**p.** 281.366.6207	

Well Information:

API Number:	30-045-20006
BP WI:	%
Run #:	
Surface Location:	Sec. 14, T28N, R12W
Meter Number:	
Well FLAC:	
Cost Center:	
Lease FLAC:	
Restrictions:	
Regulatory Agency:	
Compressed (Y/N):	N

Production Data:

Tubing Pressure:	160 psi
Casing Pressure:	500 psi
Line Pressure:	80 psi
Pre-rig Gas Rate:	
Anticipated Uplift:	
Water Rate:	Saltwater Flow
CO2 (%):	
H2S (PPM):	N/A
Gas BTU:	
Artificial Lift Type:	

Basic Job Procedure:

1. Pressure test tubing
2. Unseat 2 3/8" tubing from packer.
3. POOH and LD 2 3/8" tubing.
4. Test injection packer using work string and test packer
5. Test casing behind work string and test packer
6. Replace injection packer if pressure test fails.
7. Repair 4 ½" casing if casing pressure test fails.
8. 15% HCL treatment
9. Scrap perfs and Cleanout to PBTD
10. Reset and pressure test injection packer and tubing string

Safety and Operational Details:

ALL work shall comply with DWOP E&P Defined Operating Practice.

Well History:

The GCU 259 SWD well has historically been capable of injecting about 8,000 bbls/mnth but 900psi MIT test 1/14/2010 failed. MIT was redone at 500psi and passed, but this pressure limitation does not allow sufficient water injection volumes. A 2500 gal HCL treatment was pumped 7/2009 and work was done to replace tubing and injection packer in 3/2005.

Standard Location Work:

1. Perform pre-rig site inspection, size of location, gas taps, other wells, other operators, running equipment, wetlands, wash, H2S barriers if needed for equipment. Landowner issues, buried lines in pits, raptor nesting, critical location, check anchors. Check ID wellhead, determine if equipment is acceptable or obsolete and replace if necessary, if digging is required have One Call made 48 hours. Follow ground disturbance policy.

2. Perform second site visit, checking anchors and barriers if needed. Ensure lines are marked so that they clearly designate pit locations. Discuss and turnover handover sheet with someone from operations team and wells team. LOTO all necessary equipment including but not limited to: meter run, automation, separator, and water line.

Rig Procedure:

3. Notify the following inspectors 48 hrs prior to working on this well:
   a. Kelly Roberts (OCD) 505-334-6178 x16
   b. Jim Walker (EPA) 505-599-6317
   c. Bill Freeman (Navajo UIC) 505-368-1041

4. Hold pre-job safety meeting and discuss JSA with everyone on location. JSA should cover: heavy lifts, pinch points, location hazards, pressure hazards, proper PPE and 8 golden rules of safety/IFF. Make sure everyone has preformed their LOTO and knows they have the right to stop the job.

5. Check and record casing pressure, intermediate, and Bradenhead pressures. Record all pressures into DIMS.

6. Flow well back to water handling facility for several days in advance to reduce water flowing pressure.

7. RU slickline unit and set plugs in the F-Nipple (1.78") @ 3200' and X-Nipple (1.875") @ 3153'. Pressure test tubing to 1500 psi.

8. MIRU workover rig.

9. Insure double casing valves are installed. Spot and lay 3" line and tank to blow down well, record pressures while blowing well down if possible.

10. Nipple down Wellhead. NU BOPs and diversion spool with 3" outlets and 3" pipe to the flow back tank. Pressure test BOPs. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover. Remove wellhead back pressure valve if used.

11. Pull tubing hanger and shut pipe rams and install stripping rubber.

12. J off on/off tool, POOH and LD 2 3/8" J-55 EUE plastic coated tubing – 3187' length

13. Note location of any paraffin or scale buildup along tubing string and record in DIMS. Replace any bad joints of tubing with similar internally coated tubing TK-99.

14. PU 2 3/8" workstring with test packer assembly

15. TIH and set test-packer @ 3150'.

16. Test SLB Model 1X double grip packer to 1500 psi down work string.

17. Test 4 ½" casing behind workstring to 1500 psi.

*** The Following steps will be determined pending the results of the above pressure tests.**

1. If injection packer fails – latch packer and POOH.
    a. Contact Engineer to discuss replacement packer options
2. If casing pressure test fails – proceed to location hole in casing.
    a. Contact Engineer and discuss casing repair options

18. TOH with string and packer

19. TIH and latch SLB retrievable packer and POOH.

20. Inject 1250 gal 15% HCL followed by 45 bbl water down casing and soak for 1 hour.

21. Inject 1250 gal 15% HCL followed by 45 bbl water down casing and soak for 1 hour.

22. TIH with 2 3/8" workstring and 4.5" bit and scrapper down to 4200'. Work back and both several times to scrape MV perforations.

23. Cleanout fill to PBTD @ 4321'

24. TOH with workstring

25. Circulate corrosion inhibitor and biocide down backside before setting packer.

26. RIH with 2-3/8" plastic coated production tubing with the following BHA:

    Muleshoe on bottom, F-Nipple with plug (1.78" ID), 4' tubing sub, 2.375 x 4.5 packer, On/Off tool, 1 tubing joint, X-Nipple with plug (1.870 ID), tubing to surface.

27. Set packer at +/- ~~3200'~~ 3270' PER ORDER. SWD-195. Lock down hanger.

28. Pressure test tubing to 500 psi with air unit, make sure tubing spool valves are open. Care should be taken during pressure testing of the tubing due to potential problem caused if tubing parts close to surface or above the hanger. Check all casing string for pressure. The operations of removal of BOP and installation of wellhead will be performed under a dispensation for one (1) barrier on the backside.

29. ND BOP's. NU Wellhead. During Master valve placement ensure the top of hanger has spacer nipple in place to bottom of bonnet flange so plunger equipment will not hang up through tree. Pressure test Wellhead if capable.

30. RU WL unit, pressure test and chart as necessary. Pull plugs. RD slickline unit.

31. Notify agencies listed above and perform new MIT test on packer to 1000 psi.

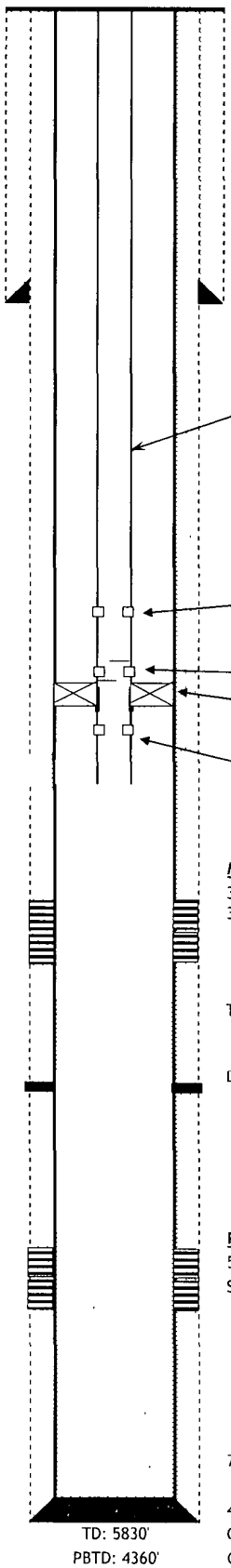
32. Return well to injection.

33. Ensure all reports are loaded into DIMS. Print out summary of work and place in Wellfile. Have discussion with production engineer/optimizer about particulars of well when handing off the well file.

bp

Gallegos Canyon Unit 259
Pinon Gallup - Water Injection
API # 30-045-20006
740' FSL & 810' FEL,Sec. 14
T-28-N, R-12-W
San Juan County, New Mexico

G.L.
K.B. 13'



12 1\4" hole

8 5/8", 24# @ 258'
Cmt w/ 150 sxs
Cmt. to surface

2 3/8", 4.7#, J-55, EUE 8rd set @ 3214'

"X" nipple in tbg
1 jt up from packer

"X" nipple in On/Off Tool
retrievable packer set @ 3187'
SLB: Model 1X double grip 2.375X4.5"

4' sub w/ "F" nipple @ 3200'

Mesa Verde Perforations
3320' - 3350', 4 JSPF, 500 gal of 15% HCl
3900' - 4190', 2 JSPF, 500 gal of 15% HCl

TOC plug @ 4354'

DV Tool @ 4467'

Pinon Gallup Perforations
5728' - 5736', 4 JSPF, 500 gal of 7.5% HCl
Squeezed w/ 20 sxs

7 7/8" hole

4 1/2", 10.5# @ 5830'
Cmt w/ 1650 sxs
Cmt. to surface

TD: 5830'
PBTD: 4360'

Udated 3/18/2010 JG