

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.5. Lease Serial No.
NMSF078097

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.7. If Unit or CA/Agreement, Name and/or No.
NMNM740458. Well Name and No.
HEATON LS 259. API Well No.
30-045-20669-00-S110. Field and Pool, or Exploratory
AZTEC PICTURED CLIFFS11. 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			
<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"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 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.)

BP finds no further uphole potential for said well and respectfully request permission to plug the entire wellbore.

Please see the attached P&A procedure.

**H₂S POTENTIAL EXIST**

RCVD APR 20 '10

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #84844 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 04/16/2010 (10SXM0164SE)	
Name (Printed/Typed) CHERRY HLAVA	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 04/14/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON	Title PETROLEUM ENGINEER	Date 04/16/2010
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

4/23

Heaton LS 25 – PC PxA Procedure (Version 1)

General Information:

Formation:	PC	Job Objective:	Plug and Abandon
Project #:		Date:	3/16/2010
Engineer:	Trevor M ^c Clymont	p. 281.366.1425	c. 701-770-6879
Production Contact:	Rocky Deromedi	p. 505.326.9471	c. 505.486.0942
Optimizer:	Mike McMahan	p. 505.326.9231	
Backup Engineer:			

Well Information:

API Number:	30-045-20669
BP WI:	
Run #:	
Surface Location:	Sec. 30, T31N, R11W
Meter Number:	87189
Well FLAC:	
Cost Center:	
Lease FLAC:	
Restrictions:	N/A
Regulatory Agency:	BLM/NMOCD
Compressed (Y/N):	Y

Production Data:

Tubing Pressure:	196 psi
Casing Pressure:	0 psi
Line Pressure:	0 psi
Pre-rig Gas Rate:	5 MCFD
Anticipated Uplift:	None
Water Rate:	
CO2 (%):	0.62 to 0.67%
H2S (PPM):	N/A
Gas BTU:	1214
Artificial Lift Type:	1" coil tubing

Basic Job Procedure:

Coil Tubing unit

1. POOH 1", coil tubing @ 2375'
2. Set CIBP @ 2316'
3. Pressure test 2-7/8" casing
4. Run CBL
5. R/D
6. Cement 2316' to 1720' (CBL dependent)
7. Based on CBL cement over Kirtland and Ojo Formations (783' – 587') inside and outside
8. Perf @ 185' and cement surface plug from 185' to surface inside and outside.

Safety and Operational Details:

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

Well History:

The Heaton LS 25, originally completed as the Heaton 25 in 1970. The name was changed in 1985. In 1994, 1" coil tubing was installed into the wellbore.

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.

Coil Procedure:

3. Notify BLM and NMOCD 24 hours prior to performing the work.
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 obligation to stop the job if any unsafe activities are observed.
5. Check and record casing pressure, intermediate, and Bradenhead pressures. Record all pressures into DIMS. Notify engineer if Bradenhead pressures exist. Check gas H2S content and treat if the concentration is > or equal to 10 ppm.
6. Blow down backside to flow back tank. Kill well if needed
7. MIRU Coil-tubing unit
8. RU CTU. If threaded tree flanges perform proper risk assessment for threaded connections. Use dual choke manifold or production choke for flow back. Fully function and pressure test BOP's to 250-psi low-pressure test, 1000-psi high-pressure test. If Shear Rams are not used in BOP stack, refer to local standard operating practice. Lubricator should be of adequate length to cover BHA. Dual flapper check valves should be run above BHA. If dual flapper check valves are not used a detailed and current assessment of risks, mitigations and contingency responses should be refer to, or a local standard operating practice.
9. Spool out 2375' of 1" coil currently in hole
10. RU e-line unit with a lubricator.
11. RIH with 2-7/8" gauge ring to top of perforations @ 2366'.
12. RIH with 2-7/8" CIBP and set at 2316' and load hole with fluid and pressure test 2-7/8" casing to 500# hold for 30 minutes. . If no fluid or pressure loss is apparent, continue to next step. If fluid loss is evident, contact the engineer for remedial procedure.
13. Run CBL to determine top of cement
14. RD e-line unit

15. Hold pre-job safety meeting and discuss all JSA's with all BP and third party personnel. The Pre-job safety meeting should cover: heavy lifts, pinch points, location hazards, pressure hazards, and proper PPE.
16. RIH with coil-tubing to **2316'** and spot **1386'** (45.3 cu ft) of G-Class cement inside 2-7/8" casing from **2316~~5~~' – 930'**. This will cover the Picture Cliff and Fruitland Coal interval.
17. POOH to at least **100'**. Based on CBL results determine if remedial work needs to be completed. Pump a **196'** (6.4 cu ft- inside; **34.6** cu ft outside) of G-Class cement from **783' 834' 600' – 587'** on the **inside and outside of the 2-7/8" casing**. This will isolate the Kirtland and Ojo Alamo formation. POOH
18. Rig down coil unit.
19. Move in Wireline unit, equipment and crew. Be sure to fill out necessary work orders. Wireline must perform LOTO and JSA. RU unit with a lubricator with pump in sub that can accommodate CBL and BOP. **Since well is not an HCO no Pressure testing of lubricator is required.**
20. RIH with perforating gun and shoot holes @ **185'**. RD wireline.
21. RU pump truck. Establish circulation. Once circulation is established, pump and circulate **62.4** cu ft cement from **185' to surface behind and inside 2-7/8" casing**. This will put cement around the bottom of the 8-5/8" surface casing shoe to surface and both inside and behind the 2-7/8" casing. POOH.
22. Perform underground disturbance and hot work permits. Cut off tree.
23. If cement cannot be seen on all annulus and casing strings remedial cementing will be required from surface.
24. Release coil tubing unit.
25. Install well marker and identification plate per regulatory requirements. Dry hole marker should contain the following:

BP American Production Co.
Heaton LS 25
API 30-045-20669
Unit letter K, Sec 30, T31N, R11W
1550 FSL, 1830 FWL
San Juan, NM
Picture Cliffs Formation
Federal Lease number: SF 078097
P&A date - TBD
26. RD and release all equipment. Remove all LOTO equipment.
27. Ensure all reports are loaded into DIMS. Print out summary of work and place in Well file. Notify Sherri Bradshaw (326-9260) of completed P&A and Cherry Hlava.

API: 30-045-20669

8-5/8" 24# J-55 surface csg @ 135'
85 sxs cmt

1985 - Name change

290 sxs cmt

frac'd w/ 25,000 #'s 10/20sand

1" coil tubing @ 2375

2-7/8" 6.4# NU J-55 @ 2573'

290 sxs

PBTD: 2564'

updated: 3/27/10 THM

Ojo Alamo	737'
Kirtland	783'
Fruitland Coal	1820'
Ignaceo Coal	2010'
Cottonwood Coal	2170'
Cahn Coal	2327'
Picture Cliffs	2360'

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 25 Heaton LS

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Place the Kirtland/Ojo Alamo plug from 834' – 600' inside and outside the 2 7/8" casing.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.