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

| L | DOKERO OF LAND MAIN | AUDIVIDIA | 5 1 | ease Serial No. | |
|--|--|--|-----------------------------|--------------------------------------|----------------------------|
| SUNDRY NOTICES AND REPORTS ON WELLS | | | | MSF079511 <i>A</i> | \ |
| Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals. | | | 6. If | 6. If Indian, Allottee or Tribe Name | |
| SUBMIT IN TRIPLICATE - Other instructions on reverse side. | | | | Unit or CA/Agre MNM76058 | ement, Name and/or No |
| 1. Type of Well | | all Name and No | • | | |
| Oil Well Gas Well Ot Name of Operator | | PI Well No. | | | |
| BP AMERICA PRODUCTION | CHERRY HLAVA pp.com | |)-045-23369-(| 00-S1 | |
| 3a. Address 200 ENERGY COURT FARMINGTON, NM 87401 | | 3b. Phone No. (include area code) Ph: 281-366-4081 | | ield and Pool, or ANCO PICT | Exploratory URED CLIFFS |
| 4. Location of Well (Footage, Sec., 7 | 1) | 11. C | ounty or Parish, | and State | |
| Sec 29 T30N R8W SWNE 14: 36.78551 N Lat, 107.69470 W | | | SA | AN JUAN CO | UNTY, NM |
| 12. CHECK APPI | ROPRIATE BOX(ES) TO | O INDICATE NATURE C | F NOTICE, REPORT | , OR OTHER | R DATA |
| TYPE OF SUBMISSION | | TYP | OF ACTION | | |
| - Nation of Inter- | Acidize | Deepen | Production (Sta | art/Resume) | Water Shut-Off |
| Notice of Intent Notice of Intent | Alter Casing | Fracture Treat | ☐ Reclamation | | ☐ Well Integrity |
| ☐ Subsequent Report | Casing Repair | ☐ New Construction | Recomplete | • | |
| Final Abandonment Notice | Change Plans | □ Plug and Abandor | Temporarily A | Temporarily Abandon | |
| | Convert to Injection | Plug Back | ☐ Water Disposal | Water Disposal | |
| Attach the Bond under which the wor following completion of the involved testing has been completed. Final Abdetermined that the site is ready for fi August 2010 Compliance | l operations. If the operation re pandonment Notices shall be fil | sults in a multiple completion or | recompletion in a new inter | rval, a Form 316 | 0-4 shall be filed once |
| Above mentioned well was cor off in 2005 to an inconsistent 1 | mpleted in 1979 & has sir 0-20 mcfd. | nce produced 770 mmcf. P | roduction began dropp | ping | |
| BP sees no further uphole pote entire wellbore. | | spectfully requests permiss | ion to P&A the | | P 24'10 |
| Please see the attached P&A procedure. | | | | uil fil | 4S. DIV. |
| | | | , | DIS | ran E |
| • | | | | | |
| 14. I hereby certify that the foregoing is | Electronic Submission #9 For BP AMERICA | 92941 verified by the BLM W PRODUCTION CO., sent to essing by STEVE MASON or | the Farmington | | |
| Name (Printed/Typed) CHERRY I | • | | ULATORY ANALYST | | |
| | | | | | |
| Signature (Electronic St | ubmission) | Date 09/16 | 6/2010 | | |
| | THIS SPACE FO | R FEDERAL OR STAT | E OFFICE USE | | |
| Approved By STEPHEN MASON | | TitlePETRO | LEUM ENGINEER | | Date 09/20/20 |

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



BP - San Juan Wellwork Procedure

Gartner 2

| Formation: Project #: | | Job Objective: Date: | P&A 9/15/2010 | | | |
|--|--|---|-----------------------------|--|--|--|
| Intervention Engineer: Base Management Engr: Production Team Leader Area Optimizer: | Trevor McClymont | p. 281.366.1425p. 281.366.p. 505.326. | c. 701-770-6879 | | | |
| Well Information: | , | Production Data: | | | | |
| API Number: | 30-045-23369-00 | Tubing Pressure: | 150 psig | | | |
| BP WI: | | Casing Pressure: | 250 psig | | | |
| Run #: | | Line Pressure: | 120 psig | | | |
| Lease FLAC: | | Pre-rig Gas Rate: | 0 mcfd | | | |
| Well FLAC: | | Anticipated Uplift: | O mcfd | | | |
| Surface Location: | Unit G - Sec 29 - T30N - R08W lat 36.7855 | Water Rate: | 0 bwpd | | | |
| GPS Coordinates | long 107.6953 | CO2 (%): | 0.87 % | | | |
| Meter # | | H2S (PPM): | 0 ppm | | | |
| Cost Center: | | Gas BTU: | 1178 BTU | | | |
| Compressed (Y/N): | Y | Specific Gravity | 0.6677 | | | |
| Restrictions: | None | Artificial Lift Type: | Plunger | | | |
| Regulatory Agency: | BLM / NMOCD | Area Classification: | LCO | | | |
| D'a Da L | Budget and Work | | .4 | | | |
| Rig Budget: . P&C Budget: | Rig Budget: Total AFE Amount: P&C Budget: Work Order #: | | | | | |
| - | | Work Order | · ** | | | |
| Swabbing Budget: | | · | · | | | |
| Basic Job Procedure: A) KEY 142 | | | | | | |
| POOH 1-1/4", t Set CIBP @ 28 | 65' | ing from B&R | | | | |
| 4. Pressure test 5-5. Run CBL | 1/2 Casing | | | | | |
| 6. R/D | | | | | | |
| B) Coil Tubing unit 7. Cement over Pierre | cture Cliffs and Fruitland 2865 | ' to 2450' | | | | |
| 8. Cement over Kirtland and Ojo Formations (1026' – 758') inside | | | | | | |
| 9. Perf @ 240' and | a cement surface plug from 240 | to surface inside and outside | e production casing | | | |
| Well History: | | • | | | | |

Safety and Operational Details:

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

Standard Site Preparations

1. Perform pre-rig site inspection. Per Applicable documents, check for:

| 1. Size of Location | 6. Wash (dikes requirements) | 11. Landowner Issues |
|--------------------------|------------------------------|--------------------------------|
| 2. Gas Taps | 7. Raptor nesting | 12. Protection Barriers Needed |
| 3. Other Wells | 8. H2S | 13. Critical Location |
| 4. Other Operators | 9. Wetlands | 14. Anchors |
| 5. Production Equipment, | 10. Location of Pits | 15. ID Wellhead |

Allow 48 hours for One Call if earth pit is required.

2. Notify BLM and NMOCD 24 hours prior to performing the work.

NMOCD: (505) 334-6178 (Kelly Roberts)

BLM : (505) 599-8907 (Kevin Schneider) or Steve Mason (505) 599-6364

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

Rig Procedure:

- 8. 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.
- 9. Check and record casing pressure, intermediate, and Bradenhead pressures. Record all pressures into OPENWELLS. *Notify engineer if any BH pressure exists, or if there is any water or gas flow.* Check gas H2S content and treat if the concentration is > or equal to 10 ppm.
- 10. MIRU workover rig.
- 11. Insure double casing valves are installed. Spot and lay 2" line and tank to blow down well, record pressures while blowing well down if possible.
- 12. Move in WirE-Line unit, equipment and crew. Be sure to fill out necessary work orders. WirE-Line must perform LOTO and JSEA. RU unit with a lubricator and BOP.
- 13. Two barriers will need to set in order to break containment (B&R has CW plugs with downhole slip stops. Plugs will need to be set ~2495'. Each time the lubricated connection is broken, it will need to be pressure quick tested for 5 min and document in OPENWELLS. Contact engineering if these barriers cannot be used.
- 14. Blow down backside to flow back tank.
- 15. Nipple down Wellhead. NU BOPs and diversion spool with 2" outlets and 2" pipe to the flow back tank.

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- 16. Pressure test BOPs to 200 psi on the low end & 500psi on high end. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover. Remove wellhead back pressure valve if used.
- 17. Pull tubing hanger and shut pipe rams and install stripping rubber.
- 18. POOH with 1-1/4" production tubing currently set @ 2,971' and lay down tubing.
- 19. RU E-Line unit with a lubricator.
- 20. RIH with gauge ring for 5-1/2" 15.5# K55 casing to top of perforations @ 2,913' to ensure wellbore is clear and CIBP will set.
- 21. RIH with 5-1/2" CIBP and set at 50'above top perforation (+/- 2,865')
- 22. RD E-Line
- 23. Load well with fluid and pressure test 5-1/2" casing to 500 psig and hold undisturbed at 500 psig for 30 minutes. This will confirm integrity of casing and is in line with DWOP Section 24.1 "Working with Pressure". Chart results and record passing test in OpenWells.
- 24. Relieve pressure to blow down tank and allow for sufficient time for air/gas to separate in well bore to assure accurate CBL readings.
 - *Wait 24-48 to allow air/gas to separate from wellbore to ensure good CBL, if possible
- 25. RU E-Line
- 26. Run CBL tool to confirm top of cement (TOC) and cement bond behind 5-1/2". Report TOC to Engineer and regulatory agency representatives.
- 27. RD E-Line unit.
- 28. RD rig Move off location

Coil Procedure:

- 29. 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.
- 30. MIRU Coil-tubing unit
- 31. Under DWOP 15.5.1 a risk assessment must be conducted for use of coil tubing using threaded connection. That assessment is being coordinated by the Houston office and the following steps should be taken to mitigate risks:
 - i. Ensure sufficient kill fluid is available on location (72 bbl)
 - ii. Visually inspect threaded connections for damage or leaks
 - Check vertical alignment of CT BOP stack and wellhead to minimize stress on wellhead connections
 - iv. Ensure extra fittings and connections are available and have been shop tested
 - v. Rig up kill line to BOP stack for well control in case of threaded connection failure.
- 32. Fully function and pressure test BOP's to 250-psi low-pressure test, 1000-psi high-pressure test. 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.

33. RIH with coil-tubing to 2865' +/- and spot balanced cement plug of 415' (~11.1 bbls)of G-Class cement inside 5-1/2" casing from 2865' - 2450'. This will cover the Picture Cliff and Fruitland Coal.

Capacity of 5-1/2": 0.1336 ft³/ft
Plug 2865' - 2450'
$$\rightarrow$$
 415' + 50'excess \rightarrow 62.2 ft³

34. POOH with coil to 1850'. Spot a density balanced cement plug of 250' (~7.1 bbls) from 1850' to 1600' inside 5-1/2" casing. This isolates the Ojo Alamo formation. POOH with coil.

Capacity of 5-1/2": 0.1336 ft³/ft

Plug 1850' - 1600'
$$\rightarrow$$
 250'+ 50'excess \rightarrow 40.8 ft³

- 35. Move in wire line unit, equipment and crew. Be sure to fill out necessary work orders. Wire line must perform LOTO and JSA. RU unit with a lubricator with pump in sub that can accommodate perf gun.
- 36. RIH with perforating gun and perforate the 5-1/2" at 240 241'. (1.56" perforating guns with 6spf, 60° phasing charges)
- 37. POOH, rig down wirE-Line
- 38. RU pump truck. Establish circulation with water. Once circulation is established, pump and circulate cement from 240' to surface' behind 5-1/2" casing (~45.3bbls). Pump additional cement from 240' to surface inside of casing (~5.7bbls)This will place cement around the bottom of the 8-5/8" surface casing shoe to surface and both inside and behind the 5-1/2" casing.

Capacity of 5-1/2" x 7-7/8" -- 0.1733 ft³/ft OH
Plug 240' -190
$$\rightarrow$$
 50' \rightarrow 8.7 ft³
Capacity of 5-1/2" x 8 5/8" -- 0.1926 ft³/ft
Plug 190' -surface \rightarrow 190' \rightarrow 36.6 ft³
Capacity of 5-1/2" -- 0.1336 ft³/ft
Plug 240 - surface \rightarrow 240' \rightarrow 32.1 ft³
Total Plug \rightarrow 68.4 ft³

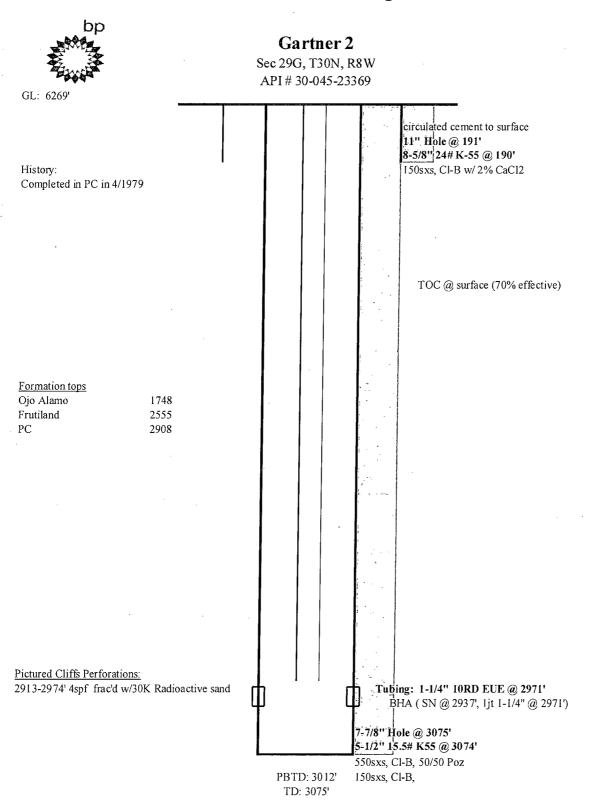
*The cement volumes to place on the outside of the 5-1/2" are estimates; due to non-uniform OH more may be required to circulate cement to surface.

- 27. Perform underground disturbance and hot work permits. Cut off tree.
- 28. If cement cannot be seen on all annulus and casing strings remedial cementing will be required from surface. Watch for cement fall back or seepage. All annulus and casings must be full of cement with no fall back prior to installing abandonment marker.
- 29. Install well marker and identification plate per regulatory requirements.

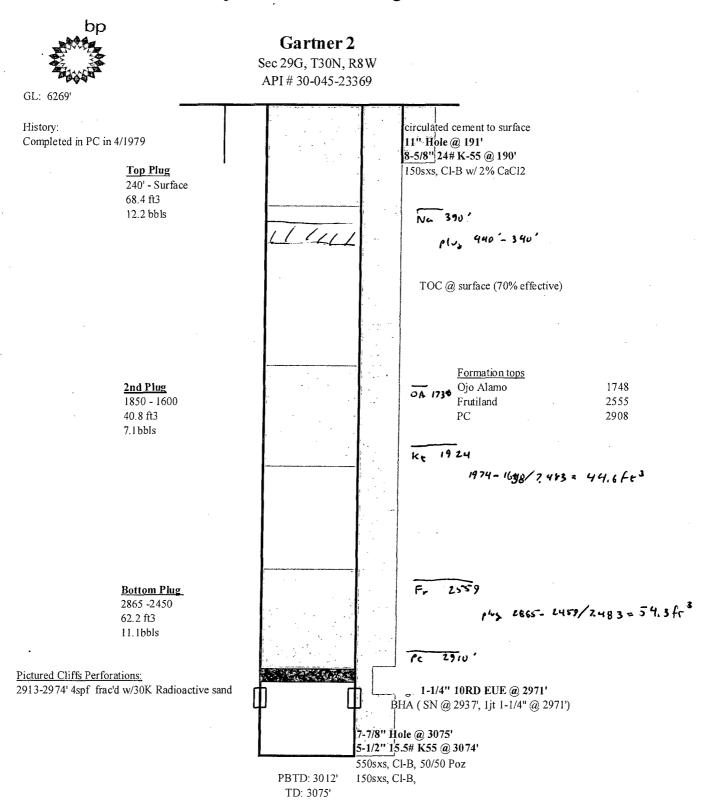
BP American Production Co.
GARTNER 002
API 30-045-23369
Unit letter G, Sec 29, T30N, R08W
1450' FNL, 1520 FEL
San Juan, NM
Picture Cliffs Formation
Federal Lease number: SF 079551-A
P&A date - TBD

- 30. RD and release all equipment.
- 31. Ensure all reports are loaded into OpenWells. Print out summary of work and place in well file. Notify Sherri Bradshaw (505-326-9260) and Cherry Hlava (281-366-4081) of completed P&A

Current Well Bore Diagram



Proposed Well Bore Diagram



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: 2 Gartner

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 1974' 1688'.
- b) Place the Nacimiento plug from 440' 340'.

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.