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
EASTERN NAVAJO

7. If Unit or CA/Agreement, Name and/or No.
NMNM78391C

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

8. Well Name and No.
GALLEGOS CANYON UNIT 159E

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

9. API Well No.
30-045-25717-00-S1

3a. Address
200 ENERGY COURT
FARMINGTON, NM 87401

3b. Phone No. (include area code)
Ph: 281.366.4081

10. Field and Pool, or Exploratory
BASIN DAKOTA

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 31 T28N R12W NWSW 1850FSL 0980FWL
36.61655 N Lat, 108.15762 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	
	☐ 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.)

August 2010 Compliance Well.

Due to no further uphole potention in the above mentioned well and several cement sqz jobs BP respectfully requests permission to P&A said well.

Please see attached plugging procedure.

RCVD DEC 6 '10
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #98365 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 12/02/2010 (11SXM0880SE)

Name *(Printed/Typed)* CHERRY HLAVA — Title AGENT

Signature (Electronic Submission) — Date 12/01/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By STEPHEN MASON — Title PETROLEUM ENGINEER — Date 12/02/2010

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

SJ Basin Well Work Procedure

Well Name:	**GCU 159E**	**API#: 30-045-25717**	
Date:	**September 14, 2010**		
Repair Type:	**P&A**		
Location:	**Unit L-T28N-R12W-Sec31**		
	1850 FNL & 980 FWL		
County:	**San Juan**		
State:	**New Mexico**		
Engr:	**David Wages**	**Ph:**	**281-366-7929 Cell: 406-231-4679**
BM Engr:	**Nona Morgan**	**Ph:**	**281-366-6207**
Prod. TL	**Kenny Anderson**	**Ph:**	**505-326-9495**

Well Information:		**Production Data:**	
API Number:	30-045-25717	**Tubing Pressure:**	5 psi
BP WI:	52.45%	**Casing Pressure:**	30 psi
Run #:		**Line Pressure:**	100 psi
Surface Location:	Unit L-Sec 31-T28N-R12W	**Pre-rig Gas Rate:**	7 MCFD
Meter Number:	94910	**Anticipated Uplift:**	83
Well FLAC:		**Water Rate:**	1-2
Cost Center:		**CO2 (%):**	1.0369
Lease FLAC:		**H2S (PPM):**	0
Restrictions:	Aug Compliance	**Gas BTU:**	1183
Regulatory Agency:	BLM & OCD	**Artificial Lift Type:**	Plunger
Compressed (Y/N):	N		

Budget and Work Order Information

Rig Budget:		**Total AFE Amount:**	
P&C Budget:		**AFE #:**	

Objective: P&A for wellbore.

1. Ensure wellbore is clear of obstructions.
2. Pump cement plugs and remove wellhead.

Well History:
Spud date 12/4/1983
Well Repair 1/24/1992 - Bradenhead repair
Well Repair 8/23/2006 - Repair casing leak

Note: Will use Class G neat cement to P&A this well.

Procedure:

1. Notify BLM and NMOCD 24 hours prior to beginning operations P&A process to ensure scheduling of personnel to witness CBL results and cement placement. (Note: This is a **BLM** regulated well)
   NMOCD: (505) 334-6178 (Kelly Roberts)
   BLM: (505) 599-8907 (Kevin Schneider)

2. Move in and rig up service rig and equipment.

3. Blow down and kill well. Capacity of wellbore is approximately 100 bbls to PBTD. Check all casing strings to ensure no pressure exists on any annulus.

4. RU e-line. Run gauge ring for 4-1/2" casing (ID=4.052") down to top of perfs to ensure wellbore is clear and CIBP will set. RIH w/ CIBP and set +/-50' above perforations +/- **5869'**.

5. Load well with fluid and pressure test casing to 500 psig. This will confirm the integrity of the casing and CIBP.

6. Run CBL to determine cement top behind 4-1/2". Based on cement top it will be determined where perforations and cement placement behind casing will be required to properly P&A well. Contact Engineer to discuss steps forward. Top of cement is estimated at surface based on well history. Report CBL results to regulatory agencies and engineer. **The order and detail of the next steps could change based on the CBL results but assumes cement does not cover the Ojo Alamo zone.**

7. Nipple down wellhead. NU and pressure test BOPs. Monitor flowing casing pressure with gauge (with casing flowing to blow tank) throughout workover. This is a P&A so the well should be kept dead throughout the procedure.

8. RIH w/ workstring and spot **1069'** (~17.1 bbls, 717 cu ft) plug on top of CIBP (+/- **5869'**). This should P&A the Dakota and Gallup formations from **5869'-4940'**. POOH.

9. Based on CBL results, RU wireline w/ perforated gun. RIH to +/- **2912'** and perforate 4-1/2" casing and POOH with guns. RD wireline.

10. If circulation to surface can be established, pump **789'** cement plug inside and outside production casing (**12.6** bbls, **530** cu ft inside, **64** bbls, **2649** cu ft outside includes 100% excess).

11. If circulation cannot be established, RIH w/ workstring. Pump a 789' plug inside casing (**12.6** bbl, **530** cu ft inside) from **2123'- 2912'**. This should put cement across the MesaVerde and Chacra formations. POOH with workstring.

12. Based on CBL results, RU wireline w/ perforated gun. RIH to +/- **1385'** and perforate 4-1/2" casing and POOH with guns. RD wireline.

13. If circulation to surface can be established, pump **485'** cement plug inside and outside production casing (**7.8** bbls, **325** cu ft inside, **39.4** bbls, **1653** cu ft outside includes 100% excess) from **900'-1385'**.

14. If circulation cannot be established, RIH w/ workstring. Pump a 485' plug inside casing (**7.8**bbl, **325** cu ft inside) from **900'** to **1385**. This should put cement across the PC and FC formations. POOH with workstring.

15. RU wireline w/ perforating gun. RIH to +/- **550'** and perforate 4-1/2" casing. POOH with guns and RD wireline.

16. Establish circulation behind casing to surface. Pump a cement plug behind and inside 4-1/2" casing from **550'** to surface (~ **54** bbls). Pump excess cement as necessary.

17. Perform underground disturbance and hot work permits. Cut off tree.

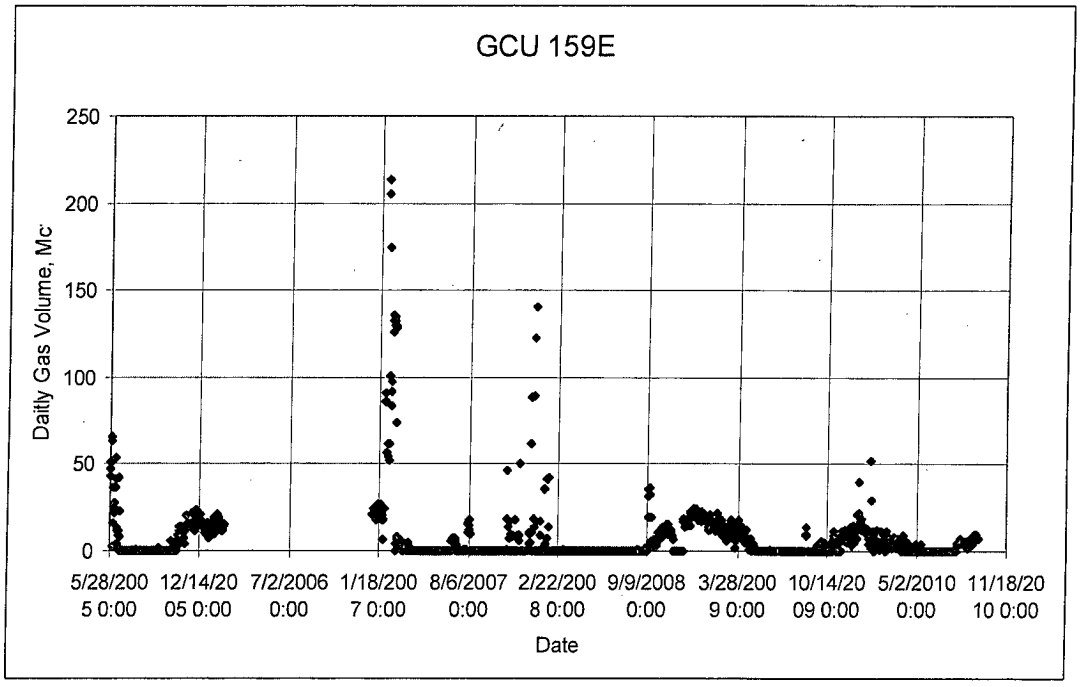
18. If cement cannot be seen on all annulus and casing strings remedial cementing will be required from surface. Watch for cement fall back or seepage. All annulus and casings must be full of cement with no fall back prior to installing abandonment marker.

19. Install well marker and identification plate per BLM requirements.

20. RD and release all equipment.

21. Ensure all reports are loaded into DIMS. Print out summary of work and place in well file. Notify Sherri Bradshaw of completed P&A.

Production curve



Current Wellbore

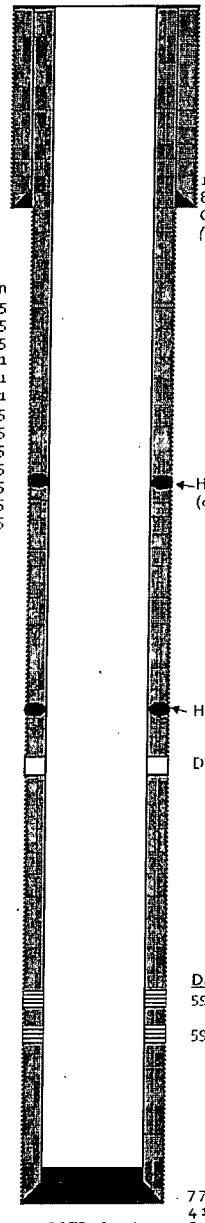
bp

Gallegos Canyon Unit 159E
Dakota
API # 30-045-25717
T-28N, R-12-W, Sec. 31
San Juan County, New Mexico

G.L. 5728'
K.B. 5741'

Well History
Spud date 12/4/1983
Well Repair 1/24/1992 - Bradenhead repair
Well Repair 8/23/2006 - Repair casing leak

Formation Tops		Deviation Report	
Formation	Depth	Depth	Deviation
OJAM	380	330'	0.75
KTLD	509	881'	1.25
FTLD	1000	1395'	0.5
CAHN	1313	2174'	1
PCCF	1335	2712'	1
LWIS	1649	3229'	1
CHCR	2223	3775'	1.25
CLFH	2862	3992'	0.25
MENF	2892	4497'	0.5
PNLK	3782	4980'	0.75
MNCS	4090	5489'	0.75
GLLP	4940	5763'	1.25
SNST	5424	6091'	0.75
GRNR	5789		
GRRS	5851		
TWLS	5914		
PGTE	5968		
CBRO	6017		
ENCN	6058		
BRCN	6085		



5741' K B

12 1/4" Hole
8 5/8", 24.0#, J-55 @ 324'
Cmt w/ 354 cu-ft class B cement containing 2% CaCl2
(circulated cement to surface)

Hole found @ ~ 1398'- 1413'
(collar leak @ 1408' identified & repaired 2006)

Hole found @ 3536' - 3567' leak @ 3540'
9/12/2006-pres. Test csg to 550psi, bleed to 500 held for 10 min.

DV tool @ 4275'

Dakota Perforations
5919' - 5924', 2 JSPF
5970' - 6012', 2 JSPF
Frac w/ 91,000 gals 75Q foam, containing 20# gelled water, 2% KCL, 1 gal surf./1000 gal fluid, 3120 SCFN2 per BF and 175,000# 20/40 sand

PBTD: 6050'
TD: 6092'

7 7/8" Hole
4 1/2", 10.5#, K-55 @ 6092'
Stage 1: 524 cu-ft 50:50 POZ class B cement. Tailed w/ 118 cu ft. class B neat cement.
Stage 2: 1,773 cu ft. class B 65:35 Pozzolanic cement. Tailed w/ 118 cu f class B neat cement.
Cmt circ. to surface

Proposed P&A plug Set Program

bp

Gallegos Canyon Unit 159E
Dakota
API # 30-045-25747
T-28N, R-12-W, Sec. 31
San Juan County, New Mexico

G.L. 5728'
K.B. 5741'

Ojo Alamo 34'
Kirtland 154'

Well History
Spud date 12/4/1983
Well Repair 1/24/1992 - Bradenhead repair
Well Repair 8/23/2006 - Repair casing leak

Formation Tops		Deviation Report	
	380	Depth	Deviation
OJAM	509	330'	0.75
KTLD	1000	881'	1.25
FTLD	1313	1395'	0.5
CAHN	1335	2174'	1
PCCF	1649	2712'	1
LWIS	2223	3229'	1
CHCN	2862	3775'	1.25
CLFH	2892	3992'	0.25
MENF	3782	4497'	0.5
PNLK	4090	4980'	0.75
MNCS	4940	5489'	0.75
GLLP	5424	5763'	1.25
SNST	5789	6094'	0.75
GRNR	5851	Fruitland 1916'	
GRRS	5914	Pictured Cliffs 1334'	
TWLS	5968		
PGTE	6017	Mesaverde 2223'	
CBRO	6058		
ENCN	6085		
BRCN			

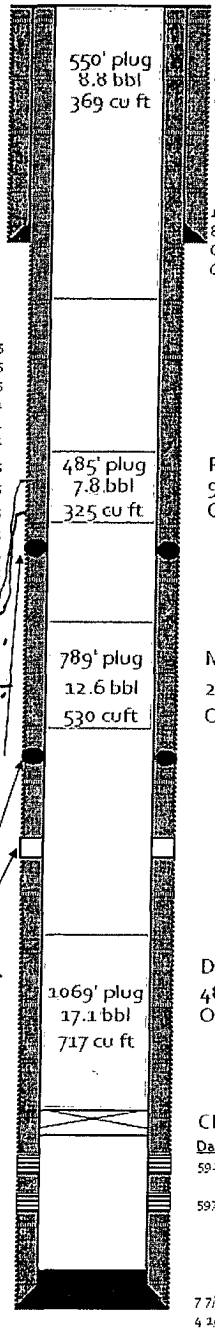
Hole found @ ~ 1398'- 1413'
(collar leak @ 1408' identified & repaired 2006)

Hole found @ 3536' - 3567' leak @ 3540'
9/12/2006-pres. Test csg to 550psi, bleed to 500 held for 10 min.

DV tool @ 4275'

Gallup 4940'

Dakota 5890'



5741' K B

550' plug
8.8 bbl
369 cu ft

Ojo Alamo plug
surface-550'
Outside: 44.6 bbl
1874 cu ft

12 1/4" Hole
8 5/8", 24.0#, J-55 @ 324'
Cmt w/ 354 cu-ft class B cement containing 2% CaCl2
Cmt circulated to surface

550/11.167 = 49 ft³

485' plug
7.8 bbl
325 cu ft

Pictured Cliffs and Fruitland Coal plug
900'-1385'
Outside: 39.4 bbl
1653 cu ft

1385 - 900 / 11.167 = 43 ft³

789' plug
12.6 bbl
530 cuft

MesaVerde and Chacra plug
2123'-2912'
Outside: 64 bbl
2649

2912 - 2123 / 11.167 = 71 ft³

1069' plug
17.1 bbl
717 cu ft

Dakota and Gallup plug
4800'-5869'
Outside: 86.7 bbl
3646 cu ft

5869 - 4840 / 11.167 = 92 ft³

CIBP @ 5869'

Dakota Perforations
5919' - 5924', 2 JSPF
5970' - 6012', 2 JSPF
Frac w/ 91,000 gals 75Q foam, containing 20# gelled water, 2% KCL, 1 gal surf./1000 gal fluid, 3120 SCFN2 per BF and 175,000# 20/40 sand

FBTD: 6050'
TD: 6092'

7 7/8" Hole
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Stage 2: 1,773 cu ft. class B 65:35 Pozzolanic cement. Tailed w/ 118 cu ft. class B neat cement.
Cmt circ. to surface