UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30 2000

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. NM 93457

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED
MAY 11 2005
OCD-ARTESIA

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

1. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other

8. Well Name and No. B&C '25' FEDERAL 1

2. Name of Operator: BP AMERICA PRODUCTION COMPANY

9. API Well No. 30-015-30842

3a. Address: P.O.BOX 3092, RM 6.115, HOUSTON, TX 77253

3b. Phone No. *(include area code)*: 281-366-2052

10. Field and Pool, or Exploratory Area: LITTLE BOX CANYON; MORROW

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*: S25-20S-21E; 660' FSL & 990' FWL; E2 SW SW

11. County or Parish, State: EDDY NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] 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	[X] Recomplete	[ ] Other
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

13. Describe Proposed or Coommpleted 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 final site is ready for final inspection.)

5/20 - 6/3/05 APPROX. COME UP HOLE TO RECOMPLETE IN CISCO FORMATION - SET UNI-VI GUIBERSON PACKER @ 8040' APPROX., SET CIBP @ 8100', & DUMP 35' OF CEMENT ON TOP TO ISOLATE MORROW PERFS OF 8128'-8134'; RUN BIT & SCRAPER ON 2 3/8" TBG TO 6500', CIRCULATE WITH FRESH WATER, TEST CASING TO 3000 PSI; PICKLE TBG/CSG USING 500 GALLONS OF 15% HCL, SPOT 1500 GAL 15% HCL @ APPROX. 6180'; SET FRAC VALVES AND TEST CSG & VALVES TO 200/4500 PSI; RUN GR-CBL-CCL FROM 6500' TO 5500' AND ACROSS TBG IF LOGS NOT ALREADY AVAILABLE, LOG WITH 2000 PSI ON CSG; PERFORATE 6162-6174', BREAK DOWN PERFS @ 3BPM, THEN INCREASE RATE TO 5 BPM AND PUMP 15 BBLS FRESH WATER, SHUT DOWN AND OBTAIN ISIP 5,10, & 15 MIN SIP'S; CONTINUE SETTING PERFS OF 6022-6028', 5962-5970', 5942-5948', & 5913-5925'; WILL REPEAT BREAKDOWN PROCEDURE USING 25 BBLS FRESH WATER AFTER EACH SET OF PERFS; FRAC PERFS WITH 180,000 LBS OF 20/40 OTTAWA SAND PROPPANT AT RATE OF 70 BPM AND 3700 PSI, NOT TO EXCEED PRESSURE OF 4200 PSI; FLOW WELL BACK THROUGH THE PRODUCTION FACILITIES OR TEST EQUIPMENT ON A FULL OPEN CHOKE; TEST LUBRICATOR TO 200/2000 PSI, GIH W/RETRIEVABLE PACKER AND ON-OFF TOOL W/1.78 "r" PROFILE AND PLUG IN PLACE, SET @ 5850 APPROX; BLEED PRESSURE OFF CSG, LOAD CSG WITH FRESH WATER, SET RBP @ 2000',RD WIRELINE, ND FRAC VALVES AND NU BOP, TEST TO 200/2000 PSI.; GIH WITH RETRIEVING TOOL ON 2 3/8" TUBING, REVERSE CIRCULATE THE TBG CLEAN THEN DISPLACE CSG WITH TREATED FRESH WATER PACKER FLUID, LATCH ON-OFF TOOL AND TEST CSG TO 500 PSI; RIG UP SLICKLINE UNIT, TEST LUBRICATOR TO 200/2000 PSI, PULL PLUG FROM 1.78" "R" PROFILE IN ON-OFF TOOL; TEST CSG TO 500 PSI; SWAB AS NECESSARY TO KICK WELL OFF; TEST WELL; RIG DOWN AND RELEASE PULLING UNIT. (SEE ATTACHED PROCEDURES AND WELLBORE SCHEMATIC)

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*: SUE SELLERS
Title: REGULATORY STAFF ASSISTANT
Signature: Sue Sellers
Date: MAY 5, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: (ORIG. SGD.) ALEXIS C. SWOBODA
Title: PETROLEUM ENGINEER
Date: MAY 10 2005

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

Title 18 U.S.C. Section 1001, makes 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.

(Instructions on reverse)

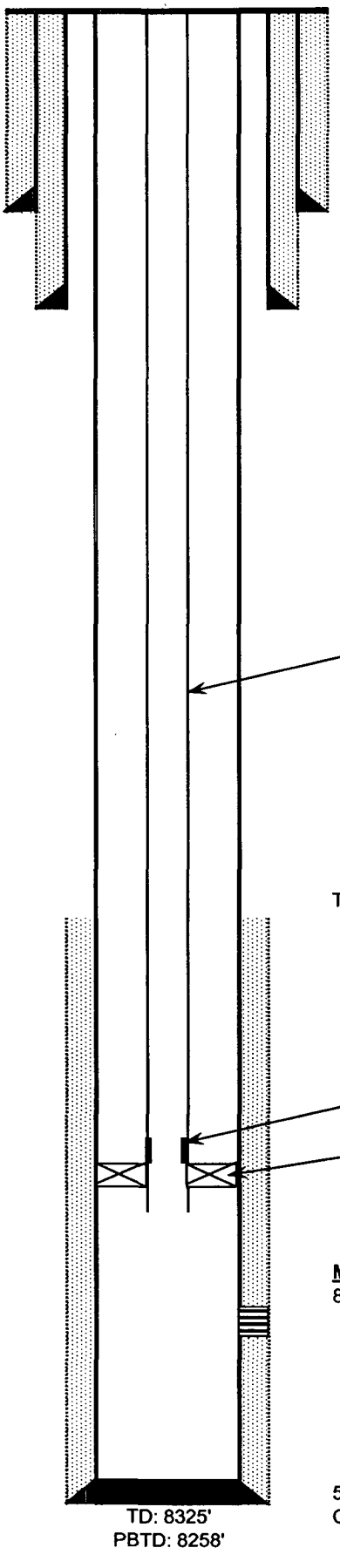
ENGINEERING, INC.

B & C FEDERAL 25 # 1
Little Box Canyon (Morrow)

660' FSL & 990' FWL,Sec. 25
Unit M, T-20-S, R-21E
Eddy County, New Mexico

RKB 4401'
GL 4388'
RKB-GL 13'
API # 30-015-30842
NM Lse #: NM93457

Spud:17:00 11/27/99
RR: 04:00 12/25/99



13 3/8", 48#, J-55, ST&C @ 93'
Cmt w/ 125 sx
Cmt to surface

9 5/8", 36#, J-55, ST&C @ 1421'
Cmt w/ 400 sx + 250 sx using 1" to sfc

Casing loaded w/ 2% KCL water

248jts-2 3/8", 4.7#, J-55, EUE 8rd

TOC @ 5000' est

1.875" 'X' profile in On-off tool @ 8033'

5 1/2" X 2 3/8" Guiberson Uni-VI packer @ 8040'

Morrow Perfs
8128' - 8134', 4 JSPF, 24 shots, 0.41" EHD.

5 1/2",17#, J-55, LT&C @ 8323'
Cmt w/ 750 sx

TD: 8325'
PBTD: 8258'

JMR 8/22/01
DLT 8/10/04

WORKOVER PROCEDURE

DATE: February 16, 2005 **PAY KEY #: ZAXN18DRLG** **AFE #: X5-003M8**

WELL: B & C Federal 25 # 1 **DRILLED:** 1999 **FIELD:** Little Box Canyon **COUNTY:** Eddy, NM

BY: Dan Tuffly **TD:** 8325' **PBD:** 8258' **DATUM:** 13'

CASING:	SIZE	WEIGHT	GRADE	SET @	SX CMT	TOC
SURFACE:	13 3/8"	48#	J-55	93'	125	Surf-Circ
INTERMEDIATE:	9 5/8"	36#	J-55	1421'	650	Surf-Top Job
PRODUCTION:	5 1/2"	17#	J-55	8323'	750	5000' - Est
LINER:	None					

TUBING: 2 3/8", 4.7#, N-80 EUE 8rd @ 8040'

PACKER: Guiberson UNI-VI @ 8040' w/ 1.875" "X" profile in on-off tool

PERFORATIONS: Morrow 8128-8134'

HISTORY AND BACKGROUND: D & C in 1999 as a Morrow "B"producer. Currently depleted and not producing.

SCOPE OF WORK: Recomplete to the Cisco.

PROCEDURE

CHECK PRESSURE RATING ON TUBING HEAD. NEED A 5K HEAD FOR THE FRAC.

1. MIRU pulling unit. Bleed down the tubing and casing pressure.

Hazard	Effect	Mitigation
Pulling Unit Equipment Failure Objects falling from derrick	Possible injury or death to personnel, damage to equipment or wellbore	➢ Inspection of derrick ➢ Pre job inspection of rig after RU.

2. Pump sufficient fresh water in the tubing and casing to kill the well.

Hazard	Effect	Mitigation
High pressure pumping equipment	Possible injury or death to personnel, damage to equipt	➢ Line of fire practices ➢ Pressure test lines

3. ND tree & NU BOP.

4. Release Guiberson UNI-VI packer. Pick up 2 joints tubing and run packer down to 8100'. POOH w/ 2 3/8", 4.7#, J-55 tubing.

Hazard	Effect	Mitigation
Dropped pipe in hole	Possible damage to well	➢ Pipe handling practices – slips, clamps, tongs, complete MU/BO before lifting as appropriate
Drop pipe in derrick	Possible injury or death to personnel, damage to equipment	➢ Line of fire practices ➢ Inspection of lifting equipment

Loss of well control	Possible injury to personnel, damage to wellbore, damage to environment	➢ Install pressure control – BOP's (change pipe rams) ➢ Have TIW valve on floor – capable of stabbing in 4 ½" LTC & full opening ➢ Frequent BOP drills
Falling from height	Possible injury or death to personnel	➢ Use work platform ➢ 100% tie-off

5. RU electric line and lubricator. Run gauge ring and junk basket to 8100'. Set CIBP @ 8100' and dump bail ~~30'~~ 35' cement on top. RD electric line.

Hazard	Effect	Mitigation
Moving Equipment	Possible injury or death to personnel	➢ Keep hands & other body parts away from moving parts ➢ Ensure wearing no loose clothing

6. Run bit and scraper on 2 3/8" tubing to 6500'. Circulate hole with fresh water. Test casing to 3000 psi.

7. Pickle tubing/casing using 500 gallons of 15% HCL per the attached fluid description.

8. Pick up to 6180' and spot 1500 gal 15% HCL per the attached fluid description. POOH with tubing.

Hazard	Effect	Mitigation
High pressure pumping equipment	Possible injury or death to personnel, damage to equipt	➢ Line of fire practices ➢ Pressure test lines
Harmful chemicals	Injury to personnel	➢ Proper PPE
Moving Equipment	Possible injury or death to personnel	➢ Keep hands & other body parts away from moving parts ➢ Ensure wearing no loose clothing

9. ND BOP and NU two 5K frac valves. If necessary, ND 3K tubing head and NU 5K tubing head. Test casing and frac valves to 200/4500 psi.

10. RU electric line and lubricator. Test casing and lubricator to 200/2000 psi.

11. If not already available, run GR-CBL-CCL from 6500' to 5500' and across TOC. Correlate to Schlumberger open hole log dated 12/23/99. Log with 2000 psi on casing.

12. Perforate the bottom interval of the schedule below (6162-6174' only). MIRU kill truck and breakdown perfs at 3 bpm. Once breakdown occurs increase rate to 5 bpm and pump precisely 15 bbls fresh water. Shutdown and obtain ISIP, 5, 10, and 15 min SIP's. Continue perforating as scheduled. After perforating the remaining perf sets repeat the breakdown procedure using 25 bbls fresh water.

Cisco Perfs	5,913' – 5,925' (12 ft net)	25 holes at 2 sht/ft 120° phasing 0.40" EHD
Cisco Perfs	5,942' – 5,948' (6 ft net)	13 holes at 2 sht/ft 120° phasing 0.40" EHD
Cisco Perfs	5,962' – 5,970' (8 ft net)	17 holes at 2 sht/ft 120° phasing 0.40" EHD
Cisco Perfs	6,022' – 6,028' (6 ft net)	13 holes at 2 sht/ft 120° phasing 0.40" EHD
Cisco Perfs	6,162' – 6,174' (12 ft net)	25 holes at 2 sht/ft 120° phasing 0.40" EHD

Hazard	Effect	Mitigation
Moving Equipment	Possible injury or death to personnel	➢ Keep hands & other body parts away from moving parts ➢ Ensure wearing no loose clothing
Accidental perf gun discharge	Possible injury or death to personnel	➢ No use of cell phone or radio within 500' of location ➢ Check wellhead voltage

13. May be able to use some of the BP production facilities for well testing. Contact Kent Whitmire at 505-748-5794 to discuss. Will need a flowback tank, flowlines with adjustable choke and manifold with test separator.

14. Spot **4** clean frac tanks. Fill each with exactly **480** bbls fresh water. A frac supervisor should spot the tanks and provide biocide. The frac fluid will be mixed on the fly.

15. Proppant Bulk Equipment should contain 180,000 lbs of 20/40 Ottawa Sand. A sieve analysis should be conducted by the frac company prior to bringing prop to location.

16. MIRU frac equipment for a **45** minute pump time as follows:

- Blender with flowmeters for all additives.
- Hydration Unit and Auxiliary Hydration Tank
- HHP required for treatment:
  - Liquid equivalent to 40 BPM at 4,000 psi.
  - Nitrogen equivalent to 42,000 scf/min at 4,000 psi
  - Nitrogen material req'd on location = 1,800,000 scf usable
- Computer Monitoring Vehicle with following data displayed and recorded:
  - Two treating-line Pressure Transducers
  - Blender and In-line Densitometers
  - Blender Suction and Discharge Flowmeter
    - Field Lab properly equipped with QA equipment for performing proppant, base fluid, and x-link fluid breaker testing (Fann35 and heat cup) on location.
- Ensure that chemicals used in district laboratory testing have been quarantined and those are the chemicals brought to location for this treatment.

17. RU frac lines to Frac Stack. Prime up pumps and perform flow-loop test to verify flowmeter agreement – calibrate as necessary.

18. Verify fluids meet specifications. Perform bucket checks on all liquid additive flowmeters and calibrate as necessary.

19. Hold Safety Meeting. Discuss location hazards, job procedure and screenout contingency plans.

20. Pressure test liquid lines against bottom frac valve to **5,000** psi. Hold for 5 minutes. An acceptable test will have a final bleed off rate of less than **50** psi/min.

21. Open the well and begin pumping WF25 at 2-3 BPM. Once breakdown occurs, increase liquid rate to 36.2 bpm and bring nitrogen on line at 42,000 scf/min. Begin x-linking, stage into pad and pump the treatment per the attached schedule at **70** BPM and **3,700** psi. Go to flush and displace as dictated by well conditions. Do not exceed a maximum allowable pressure of **4,200** psi. Shut down and monitor the pressure decline for 5 minutes.

22. Immediately RD frac equipment.

Hazard	Effect	Mitigation
High pressure pumping equipment	Possible injury or death to personnel, damage to equipment	➢ Line of fire practices ➢ Pressure test lines
Multiple Vehicles,Equipment & Personnel on location	Possible injury or death to personnel, Damage to wellhead or equipment	➢ Use flaggers when moving equipment ➢ Supervise and maintain control of the location
Harmful chemicals	Injury to personnel	➢ Proper PPE

23. Once the frac equipment and personnel are safely out of the way, begin flowing the well back through the production facilities or test equipment on a full open choke. Continue to flow the well until receive other instructions.

Hazard	Effect	Mitigation
Loss of well control	Possible injury to personnel, damage to wellbore, damage to environment	➢ Constant supervision ➢ Line of fire practices
Ignition Source	Possible injury or death to personnel, damage to well & equipment	➢ Fill out permit ➢ Check for hydrocarbon vapors

24. RU electric line unit and lubricator. Test lubricator to 200/2000 psi. GIH w/ retrievable packer and on-off tool with 1.78" "R" profile and plug in place. Set at ± 5850'.

25. Bleed pressure off casing. Load casing with fresh water and allow time for air and gas to work to surface.

26. Using electric line, set RBP @ 2000'. RD wireline.

27. ND frac valves and NU BOP. Test to 200/2000 psi.

28. GIH w/ retrieving tool on 2 3/8", 4.7#, J-55 EUE 8rd tubing. Latch RBP & POOH.

29. GIH w/ on-off tool shuck on 2 3/8" tubing and tag on-off tool. Reverse circulate the tubing clean then displace casing with treated fresh water packer fluid. Latch on-off tool and test casing to 500 psi.

30. Release on-off tool and space out in neutral position. Install tubing hangar with BPV in place. Latch on-off tool and land tubing hangar through BOP.

31. ND BOP and NU 5K tree. Test tree to 200/3000 psi. Pull BPV.

32. RU slickline unit. Test lubricator to 200/2000 psi. Pull plug from 1.78" "R" profile in on-off tool.

33. Test casing to 500 psi.

34. RU swab and swab as necessary to kick well off.

Hazard	Effect	Mitigation
Parted line	Swab cups & line in tubing, possibly requiring pulling tubing	➢ Question personnel about prior use of the swab line ➢ If no documentation on prior use, cut off some line & re-head ➢ Thoroughly discuss with operator the fluid load per swab run
Swab cups blown up hole	Swab cups & line in tubing, possibly requiring pulling tubing	➢ Be alert for signs of the well starting to flow ➢ Give ample time between runs to insure the well isn't starting to flow ➢ Be extremely cautious as swab deeper
Moving Equipment	Possible injury or death to personnel	➢ Keep hands & other body parts away from moving parts ➢ Ensure wearing no loose clothing

35. Test the well as directed. RD and release pulling unit.

36. Complete well handover form with a production representative. Provide a copy for production, fax to Midland office and send in original for well file.

37. TOPS.

Prepared by: _____

Approved by: _____