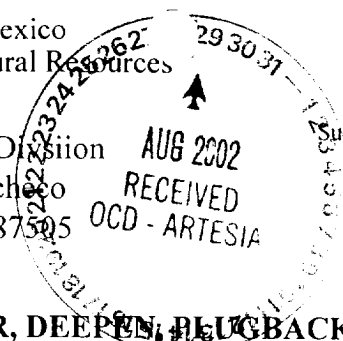


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1st Street, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505



Form C-101
Revised March 17, 1999
Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

¹ Operator Name and Address BP AMERICA PRODUCTION COMPANY 501 WESTLAKE PARK BLVD, RM 5.172 HOUSTON, TX 77079		² OGRID Number 000778
⁴ Property Code 30491	⁵ Property Name RED LAKE 3 STATE	³ API Number 30-015-32421
		⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
E	3	18S	28E		1720	NORTH	1075	WEST	EDDY

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

⁹ Proposed Pool 1 UNDES. EMPIRE; MORROW, SOUTH (GAS)	¹⁰ Proposed Pool 2
---	-------------------------------

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3658
¹⁶ Multiple NO	¹⁷ Proposed Depth 10700	¹⁸ Formation MORROW	¹⁹ Contractor KEY ENERGY	²⁰ Spud Date 9/30/02

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	78	450	450 SXS	SURF
12 1/4	8 5/8	24	3000	1200 SXS	SURF
7 7/8	5 1/2	15.5; 17	10700	2000 SXS	1000' ABOVE
					8 5/8"

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SUBJECT WELL IS PLANNED AS A 10700' STRAIGHT HOLE. PROPOSED BOP SCHEMATIC ATTACHED.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Amy T. Spang</i>	Approved by: ORIGINAL SIGNED BY TIM W. GUM		
Printed name: AMY T. SPANG	Title: DISTRICT II SUPERVISOR		
Title: REGULATORY COMPLIANCE ANALYST	Approval Date: AUG 29 2002	Expiration Date: AUG 29 2003	
Date: 8/28/02	Phone: 281/366-7655	Conditions of Approval: Attached <input type="checkbox"/>	

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
P.O. Box 1960, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2066, SANTA FE, N.M. 87504-2066

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 76400	Pool Name Empire Marlow South (605)
Property Code	Property Name RED LAKE 3 STATE	Well Number 1
OGRID No. 000778	Operator Name BP America Production Company	Elevation 3658'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	3	18-S	28-E		1720	NORTH	1075	WEST	EDDY

Bottom Hole Location If Different From Surface

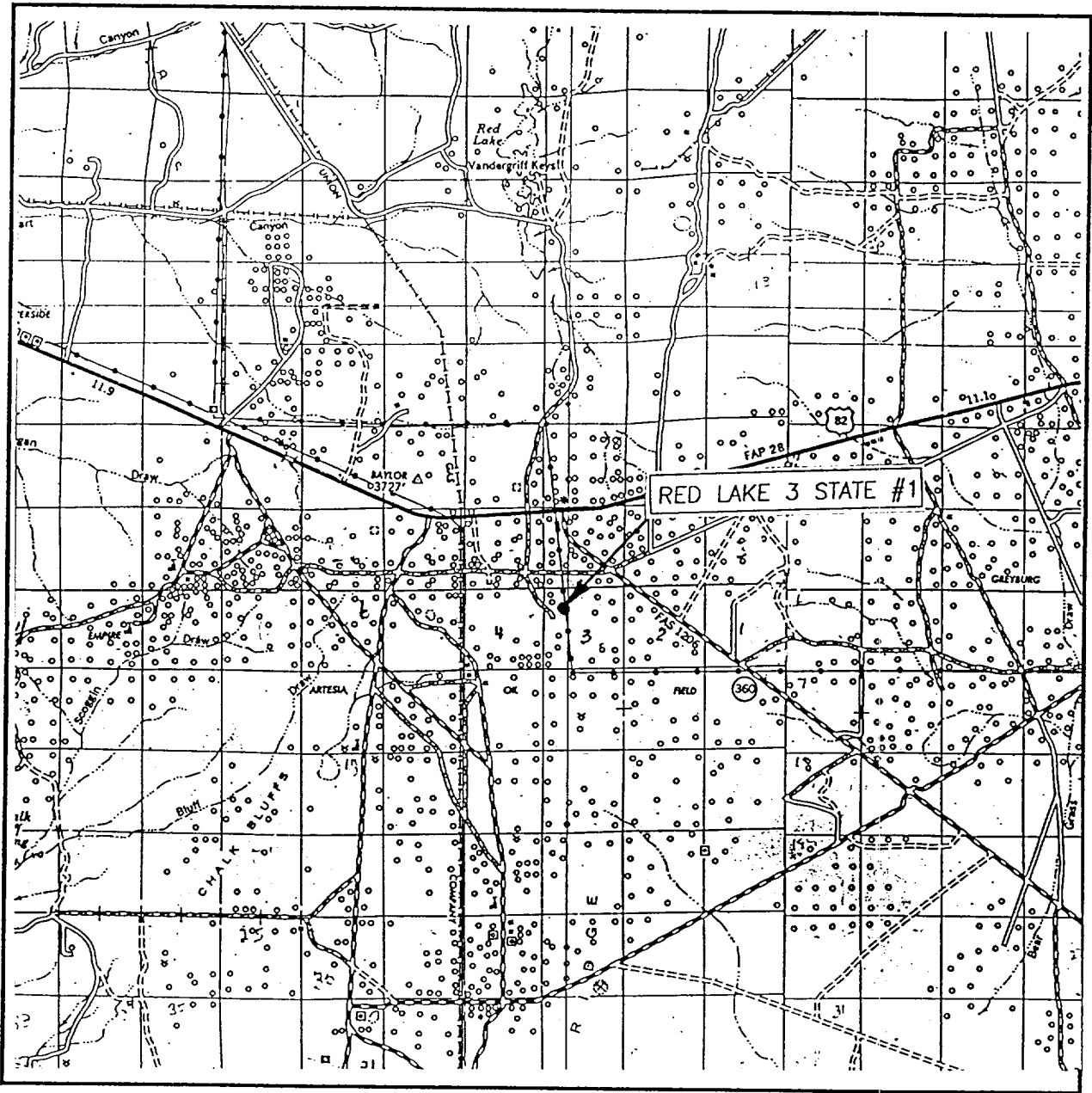
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Gary T. Spang</i> Signature</p> <p>Amy T Spang Printed Name</p> <p>Regulatory Compliance Analyst Title</p> <p>8/28/02 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>AUGUST 23, 2002 Date Surveyed</p> <p>AWB Signature</p> <p>Professional Surveyor RONALD J. EIDSON 8/23/02 02.110601</p>
	<p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p>

VICINITY MAP

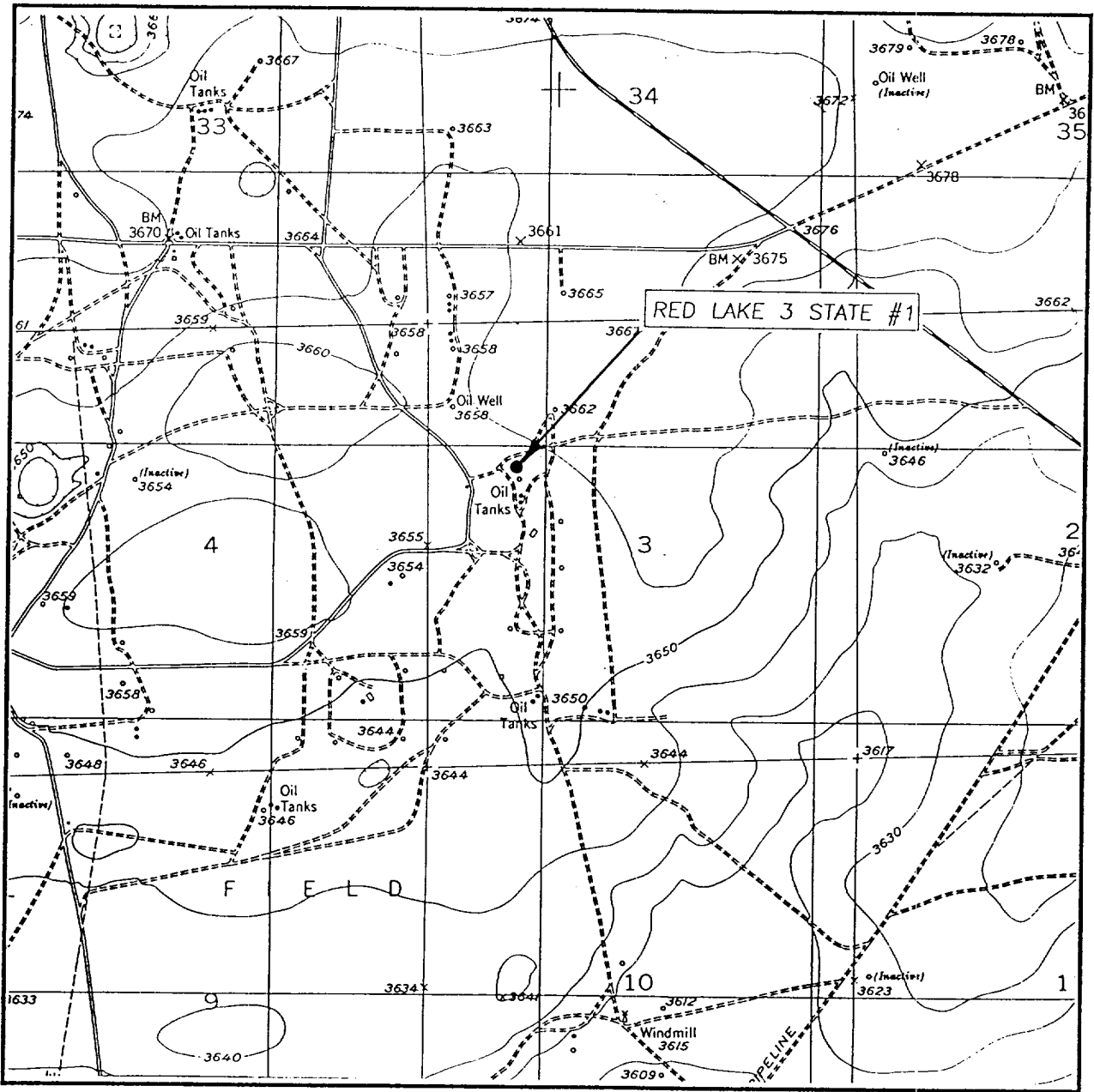


SCALE: 1" = 2 MILES

SEC. 3 TWP. 18-S RGE. 28-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 1720' FNL & 1075' FWL
 ELEVATION 3658'
 OPERATOR BP
 LEASE RED LAKE 3 STATE

JOHN WEST SURVEYING
 HOBBS, NEW MEXICO
 (505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 3 TWP. 18-S RGE. 28-E

RED LAKE SE, N.M.

SURVEY _____ N.M.P.M.

COUNTY _____ EDDY

DESCRIPTION 1720' FNL & 1075' FWL

ELEVATION _____ 3658'

OPERATOR _____ BP

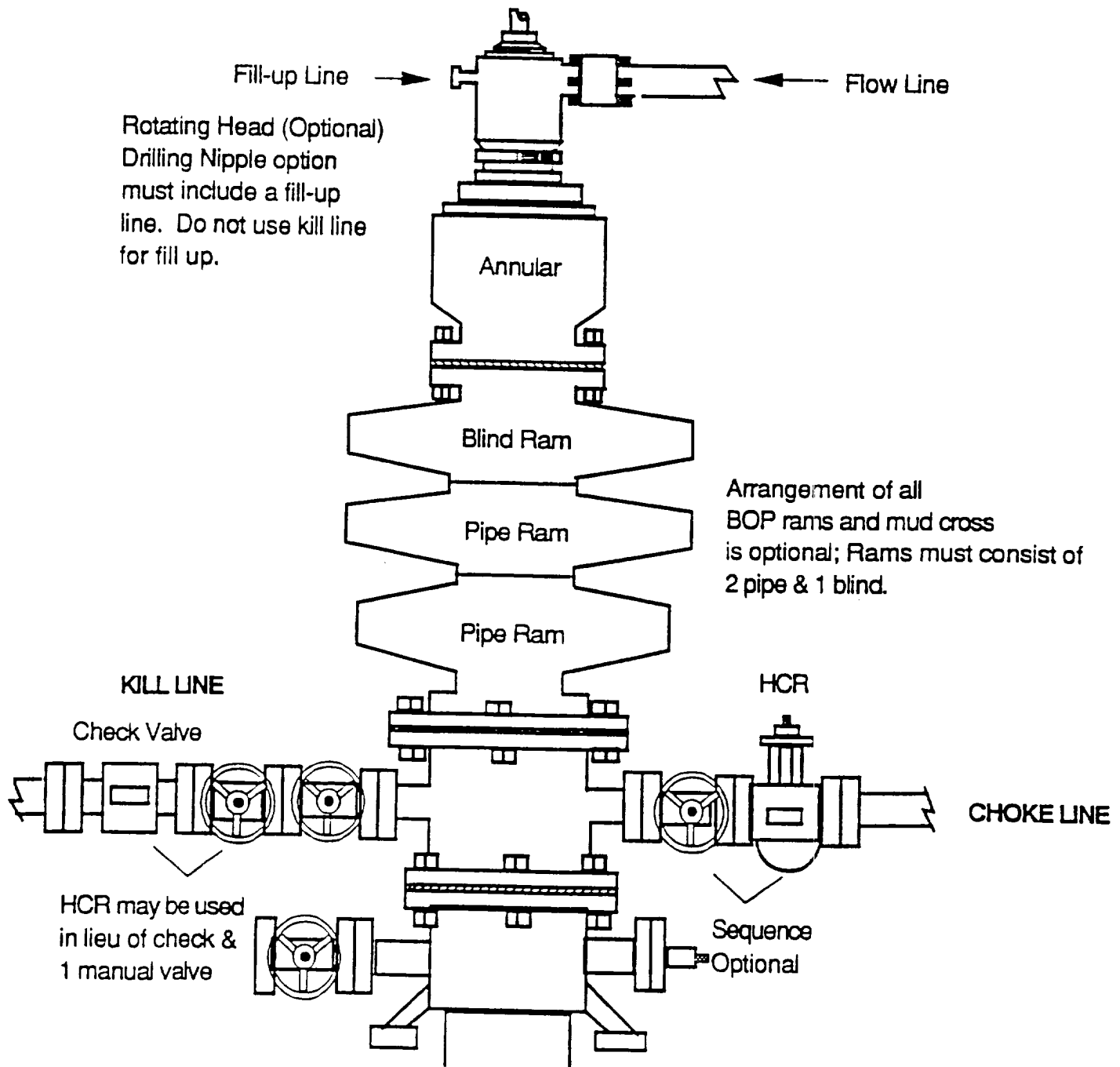
LEASE _____ RED LAKE 3 STATE

U.S.G.S. TOPOGRAPHIC MAP
RED LAKE SE, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

EXHIBIT 1

DRILLING OPERATIONS
CLASS -1: NORMAL PRESSURE < 10PPG
OPTION - 2: MMS STANDARD; SINGLE SIZE DRILL STRING



DRILLING OPERATIONS
CHOKE MANIFOLD
2M AND 3M SERVICE

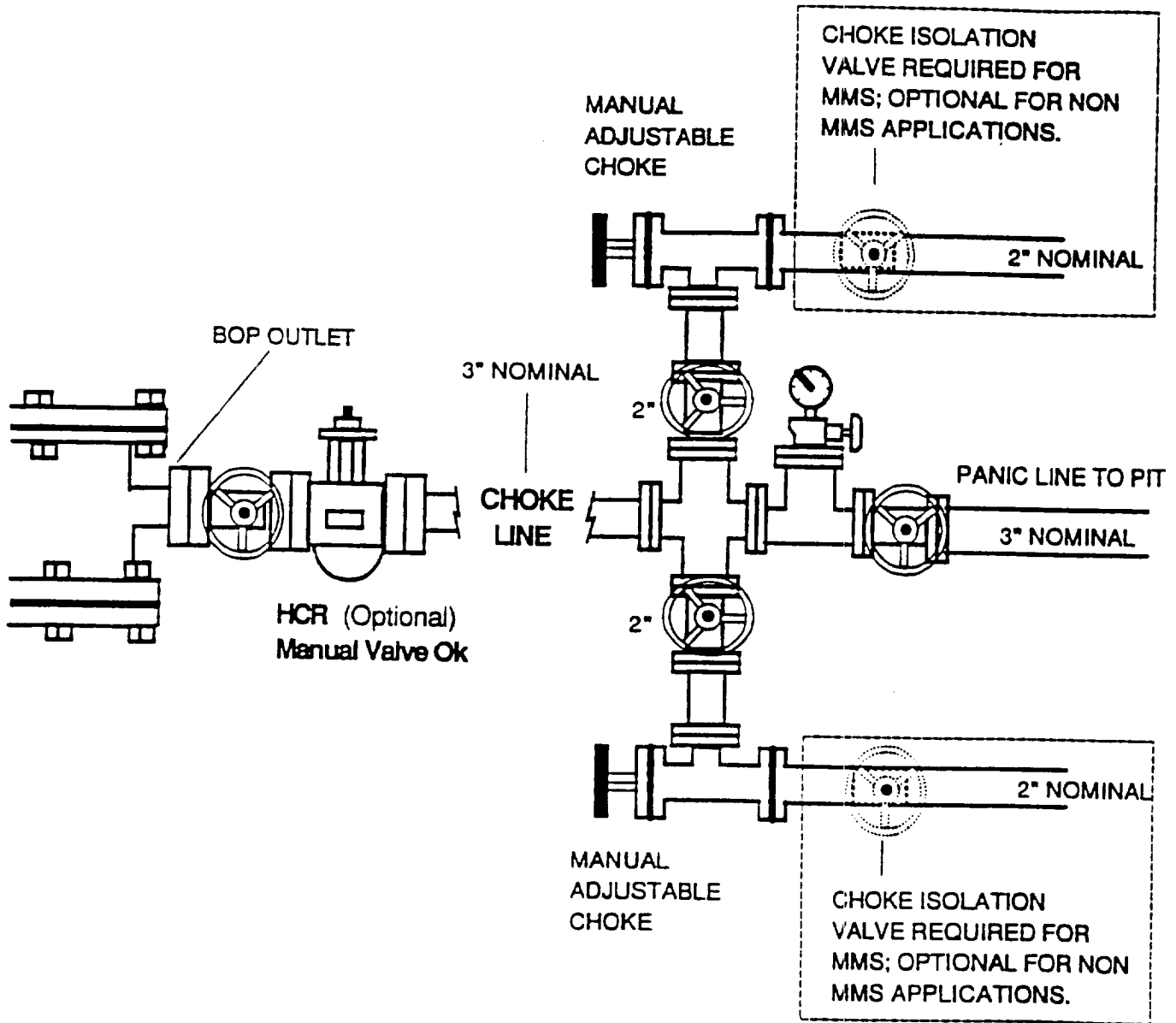


EXHIBIT #3

BLOWOUT PREVENTION EQUIPMENT SPECIFICATIONS

1. All BOP equipment shall be fluid and/or mechanically operated.
2. BOP's and all fittings will be in good working condition.
3. Equipment through which the bit must pass shall be at least as large as the casing size being drilled.
4. The nipple above the BOP shall be at least the same size as the last casing set.
5. The upper kelly cock with handle and lower kelly cock shall be rated at the BOP working pressure.
6. A floor safety valve (full opening) or drill string BOP with appropriate pressure ratings shall be available on the rig floor with connections or subs to fit any tool joint in the string.
7. The minimum size choke line shall be 3 inches nominal diameter, with a minimum size for vent lines downstream of chokes of 2 inches nominal, and vent lines which by-pass shall be a minimum of 3 inches nominal and as straight as possible.
8. All valves, fittings and lines between the closing unit and the blowout preventer stack should be of steel construction with rated working pressure at least equal to working pressure rating of the stack. Lines shall be bundled and protected from damage.
9. Minimum size for kill line is 2 inches nominal.
10. Ram type preventers shall be equipped with extension hand wheels or hydraulic locks.