

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF - 080917
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator BP AMERICA PRODUCTION COMPANY		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. BOX 3092 HOUSTON, TX 77253		8. Lease Name and Well No. ATLANTIC B LS 2B
3b. Phone No. (include area code) Ph: 281.366.4491 Fx: 281.366.0700		9. API Well No. 3004532077
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SENW Lot F 1815FNL 1930FWL 36.50600 N Lat, 107.53400 W Lon At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESAVERDE
14. Distance in miles and direction from nearest town or post office* 7 MILES FROM AZTEC, NEW MEXICO		11. Sec., T., R., M., or Blk. and Survey or Area F Sec 4 T30N R10W Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 680	16. No. of Acres in Lease 319.29	12. County or Parish SAN JUAN
17. Spacing Unit dedicated to this well 319.29 N2	13. State NM	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1237	19. Proposed Depth 5681 MD	20. BLM/BIA Bond No. on file WY2924
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6375 GL	22. Approximate date work will start 01/18/2004	23. Estimated duration 5 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) MARY CORLEY	Date 12/17/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature)	Name (Printed/Typed)	Date
Title Office		

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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.

Additional Operator Remarks (see next page)

Electronic Submission #26228 verified by the BLM Well Information System
For BP AMERICA PRODUCTION COMPANY, sent to the Farmington

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

This action is subject to technical and
FIDUCIARY review pursuant to 43 CFR 3165.8
and appeal pursuant to 43 CFR 3165.4

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

District I
 PO Box 1980, Hobbs NM 88241-1980
 District II
 PO Drawer KK, Artesia, NM 87211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32077	² Pool Code 72319	³ Pool Name BLANCO MESAVERDE
⁴ Property Code 000 282	⁵ Property Name Atlantic B LS	
⁷ OGRID No. 000 778	⁶ Operator Name BP AMERICA PRODUCTION COMPANY	⁸ Well Number # 2B
		⁹ Elevation 6375

¹⁰ Surface Location

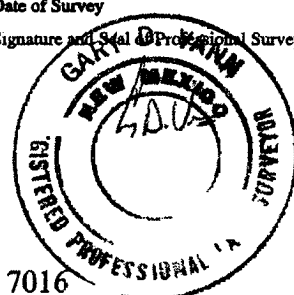
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F (Lot 10)	4	30 N	10 W		1815	NORTH	1930	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

⁷ UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 319.29	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

Atlantic B LS 2A 30-045-22988 1010' FNL & 990' FWL	Lot 8	Lot 7	Lot 6	Lot 5	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Mary Corley</i> Printed Name: Mary Corley Title: Sr Regulatory Analyst Date: 12-10-2003
1930'	Lot 9	Lot 10	Lot 11	Lot 12	
Lot 16	Lot 15	Lot 14	Lot 13	SURVEYOR CERTIFICATION 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. November 3, 2003 Date of Survey Signature and Seal of Professional Surveyor	
Lot 17	Lot 18	Lot 19	Lot 20	 Certificate Number	

BLM CONDITIONS OF APPROVAL

Operator: BP America Production Company

Well Name: Atlantic B LS 2B

Legal Location: 1815' FNL, 1930' FWL; sec. 4, T30N, R10W

Lease No.: NMSF 080917

Please adhere to the previously issued stipulation:

This well is located within a “venerable area”. In order to protect the integrity of the alluvium aquifer, a MINIMUM surface casing setting depth of 200’ is stipulated as a condition of approval for this APD.

**BP AMERICA PRODUCTION COMPANY
DRILLING AND COMPLETION PROGRAM**

Prospect Name: Atlantic B LS
Lease: Atlantic B LS
County: San Juan
State: New Mexico
Date: November 13, 2003

Well No: 2 B
Surface Location: 4-30N-10W; 1815 FNL, 1930 FWL
Field: Blanco Mesaverde

OBJECTIVE: Drill 400' below the top of the Point Lookout Sandstone, set 2 7/8" production long string, Stimulate CH, MF and PL intervals

METHOD OF DRILLING		APPROXIMATE DEPTHS OF GEOLOGICAL MARKER			
TYPE OF TOOLS	DEPTH OF DRILLING	Estimated GL: 6375		Estimated KB: 6389	
Rotary	0 - TD				
LOG PROGRAM		MARKER	SUBSEA	TVD	
<u>TYPE</u>	<u>DEPTH INVERAL</u>	Ojo Alamo	4714	1675	
<u>OPEN HOLE</u>		Kirtland	4617	1772	
None		Fruitland	3900	2489	
		Fruitland Coal	*	2756	
		Pictured Cliffs	*	3060	
		Lewis	*	3239	
<u>CASED HOLE</u>		Cliff House	#	4545	
GR-CCL	TD to 5 1/2" shoe	Menefee	#	4858	
		Point Lookout	#	5281	
		Mancos		5572	
REMARKS:		TOTAL DEPTH		5681	
- Please report any flares (magnitude & duration).					
		# Probable completion interval		* Possible Pay	
		708		5681	
SPECIAL TESTS		DRILL CUTTING SAMPLES		DRILLING TIME	
TYPE		FREQUENCY	DEPTH	FREQUENCY	DEPTH
None		None	Production hole	Geolograph	0-TD
REMARKS:					

MUD PROGRAM:					
Approx. Interval	Type Mud	Weight, #/gal	Vis, sec/qt	W/L cc's/30 min	Other Specification
0 - 120 200	Spud	8.6-9.2			
120 200 - 2706 (1)	Water/LSND	8.6-9.2		<6	
2706 - 5681	Gas/Air/N2/Mist	Volume sufficient to maintain a stable and clean wellbore			

REMARKS:
(1) The hole will require sweeps to keep unloaded while fresh water drilling. Let hole conditions dictate frequency.

CASING PROGRAM: (Normally, tubular goods allocation letter specifies casing sizes to be used. Hole sizes will be governed by Contract)						
Casing String	Estimated Depth	Casing Size	Grade	Weight	Hole Size	Landing Pt, Cmt, Etc.
Surface/Conductor	200 120	8 5/8"	X-42 ST&C	20#	12.25"	1
Intermediate 1	2706	5 1/2"	J-55 ST&C	15.5#	7.875"	1,2
Production	5681	2 7/8"	J-55	6.5#	4.75"	3,4

REMARKS:
(1) Circulate Cement to Surface
(2) Set casing 50' above Fruitland Coal
(3) Bring cement 100' above 5 1/2" shoe
(4) 100' Overlap

CORING PROGRAM:
None

COMPLETION PROGRAM:
Rigless, 2-3 Stage Limited Entry Hydraulic Frac

GENERAL REMARKS:
Notify BLM/NMOCD 24 hours prior to Spud, BOP testing, and Casing and Cementing.

Form 46 Reviewed by: _____ Logging program reviewed by: N/A

PREPARED BY: HGJ/MNP/JMP	APPROVED:	DATE: November 13, 2003 Version 1.0
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Form 46 12-00 MNP

BP America Production Company BOP Pressure Testing Requirements

Well Name: Atlantic B LS
County: San Juan

2 B
State: New Mexico

Formation	Estimated TVD/MD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	1675		
Fruitland Coal	2756		
PC	3060		
Lewis Shale	3239		
Cliff House	4545	500	0
Menefee Shale	4858		
Point Lookout	5281	600	0
Mancos	5572		

** Note: Determined using the following formula: $ABHP - (.22 * TVD) = ASP$

Requested BOP Pressure Test Exception: 750 psi

**SAN JUAN BASIN
Mesaverde Formation
Pressure Control Equipment**

Background

The objective Mesaverde formation maximum surface pressure is anticipated to be less than 1000 psi, based on shut-in surface pressures from adjacent wells. Pressure control equipment working pressure minimum requirements are therefore 2000 psi. Equipment to be used will conform to API RP-53 (Figure 2.C.2) for a 2000 psi system per Federal Onshore Order No. 2. Due to available conventional equipment within the area, 3000 psi rated pressure control equipment will typically be utilized in a double ram type arrangement. Regional drilling rigs to be utilized have substructure height limitations which exclude the use of annular preventers; therefore a rotating head will be installed above these rams. This pressure control equipment will be utilized for conventional drilling below conductor to total depth in the Mesaverde. No abnormal temperature, pressure, or H2S anticipated.

Equipment Specification

Interval

BOP Equipment

Below conductor casing to total depth

9", 11" nominal or 7 1/16", 3000 psi
double ram preventer with rotating head.

All ram type preventers and related control equipment will be hydraulically tested to 250 psi (low pressure) and 750 psi (high pressure), upon installation, following any repairs or equipment replacements, or at 30 day intervals. Accessories to BOP equipment will include kelly cock with a handle available, floor safety valves and choke manifold which will also be tested to equivalent pressure.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB 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.
NMSF080917

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
ATLANTIC B LS 2B

9. API Well No.
30-045-32077-00-X1

10. Field and Pool, or Exploratory
BLANCO MESAVERDE

11. County or Parish, and State
SAN JUAN COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

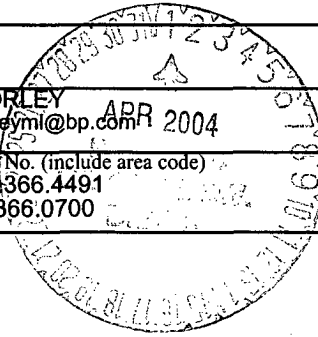
2. Name of Operator
BP AMERICA PRODUCTION CO

Contact: MARY CORLEY
E-Mail: corleyml@bp.com

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

3b. Phone No. (include area code)
Ph: 281.366.4491
Fx: 281.366.0700

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 4 T30N R10W SENW Lot F 1815FNL 1930FWL
36.50600 N Lat, 107.53400 W Lon



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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Change to Original APD

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.)

Original APD submitted on 12/10/2003, EC Submission 25962. Permit Pending.

BP America submits for your approval amendements to our surface cementing program for the subject well. Please reference attached cementing report for detailed information.

However, should conditions change, BP request as an alternate to conventional drilling program to drill the subject well with air/air mist in lieu of drilling mud and preset the surface casing using approximately 90 CU/FT TYPE I-II, 20% FLYASH, 14.5 PPG, 7.41 GAL/SK, 1.61 CF/SK YIELD, 80 DEG BHT READY MIX CMT

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #28048 verified by the BLM Well Information System
For BP AMERICA PRODUCTION CO, sent to the Farmington
Committed to AFMSS for processing by ADRIENNE GARCIA on 02/20/2004 (04XG0670SE)

Name (Printed/Typed) MARY CORLEY Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) Date 02/18/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By J M Title _____ Date 3-2-2004

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 _____

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**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

Cementing Program

Well Name:	Atlantic B LS 2B	Field:	Blanco Mesaverde
Location:	04-30N-10W, 1815 FNL, 1930 FWL	API No.	
County:	San Juan	Well Flac	
State:	New Mexico	Formation:	MesaVerde
		KB Elev (est)	6389
		GL Elev. (est)	6375

Casing Program:						
Casing String	Est. Depth (ft.)	Hole Size (in.)	Casing Size (in.)	Thread	TOC (ft.)	Stage Tool Or TOL (ft.)
Surface	120 20	12 1/4	8 5/8	ST&C	Surface	NA
Intermediate	2706	7 7/8	5 1/2	ST&C	Surface	NA
Production -	5681	4 3/4	2 7/8		2606	NA

Casing Properties: (No Safety Factor Included)								
Casing String	Size (in.)	Weight (lb/ft)	Grade	Burst (psi.)	Collapse (psi.)	Joint St. (1000 lbs.)	Capacity (bbl/ft.)	Drift (in.)
Surface	8 5/8		24 X42	2950		1370	244	0.06368
Intermediate	5 1/2		15.5 J55	4810		4040	202	0.0238
Production -	2 7/8		6.5 J-55	7264		7676	72	0.00579

Mud Program			
Apx. Interval (ft.)	Mud Type	Mud Weight	Recommended Mud Properties Prio Cementing:
0 - SCP	Water/Spud	8.6-9.2	Fluid Lost <6
SCP - ICP	Water/LSND	8.6-9.2	
ICP - TD	Gas/Air Mist	NA	

Cementing Program:			
	Surface	Intermediate	Production
Excess %, Lead	100	100	40
Excess %, Tail	NA	0	40
BHST (est deg. F)	72	110	159
Time Between Stages, (hr)	NA	NA	NA
Special Instructions	1,6	1,6	2,6

1. Do not wash pumps and lines.
2. Wash pumps and lines.
3. Reverse out
4. Run Blend Test on Cement
5. Record Rate, Pressure, and Density on 3.5" disk
6. Confirm densitometer with pressurized mud scales
7. 1" cement to surface if cement is not circulated.
8. If cement is not circulated to surface, run temp. survey 10-12 hr. after landing plug.

Surface:			
Preflush	20 bbl.	FreshWater	
Slurry 1	80 sx Class C Cement		102 95 cuft
TOC@Surface	+ 2% CaCl2 (accelerator)		
	0.25 #/sk Cellophane Flake (lost circulation additive)		0.3961 cuft/ft OH
	0.1% D46 antifoam		100 % excess
Slurry Properties:	Density (lb/gal)	Yield (ft ³ /sk)	Water (gal/sk)
Slurry 1	15.2	1.27	5.8

Intermediate:

Cementing Program

Fresh Water 20 bbl fresh water

Lead
Slurry 1
TOC@Surface

290 sx Class "G" Cement
+ 3% D79 extender
+ 1/4 #/sk. Cellophane Flake
+ 0.1% D46 antifoam'

B1
~~247~~ cuft

Tail
Slurry 2

70 sx 50/50 Class "G"/Poz
+ 2% gel (extender)
0.1% D46 antifoam
+ 1/4 #/sk. Cellophane Flake
+ 2% S1 Calcium Chloride

87 cuft

500 ft fill

0.1733 cuft/ft OH
0.2009 cuft/ft csg ann
80 % excess

Slurry Properties:	Density (lb/gal)	Yield (ft ³ /sk)	Water (gal/sk)
Slurry 1	11.7	2.61	17.77
Slurry 2	13.5	1.27	5.72

Production:

Fresh Water 10 bbl CW100

Slurry

140 LiteCrete D961 / D124 / D154
+ 0.03 gps D47 antifoam
+ 0.5% D112 fluid loss
+ 0.11% D65 TIC

353
~~350~~ cuft

TOC 200 ft in 5 1/2"

Slurry Properties:	Density (lb/gal)	Yield (ft ³ /sk)	Water (gal/sk)	0.078 cuft/ft OH 40 % excess
Slurry	9.5	2.52	6.38	0.0886 cuft/ft csg ann