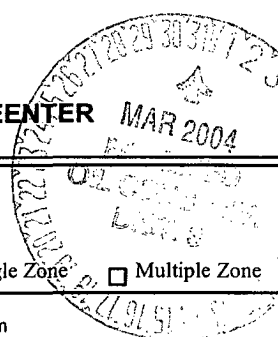


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
Contact: MARY CORLEY E-Mail: corleyml@bp.com		8. Lease Name and Well No. ATLANTIC B LS 3B
3a. Address P.O. BOX 3092 HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 281.366.4491 Fx: 281.366.0700	9. API Well No. 3004532078
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NESW Lot L 1960FSL 2245FWL 36.50300 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* 6 MILES FROM AZTEC, NEW MEXICO		11. Sec., T., R., M., or Blk. and Survey or Area K 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 320.26	12. County or Parish SAN JUAN
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1313	19. Proposed Depth 5723 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6408 GL	22. Approximate date work will start 01/17/2004	17. Spacing Unit dedicated to this well 320.26 S/S
		20. BLM/BIA Bond No. on file WY2924
		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:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. 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) David J. Mankiewicz	Name (Printed/Typed)	Date MAR 29 2004
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 #26226 verified by the BLM Well Information System
For BP AMERICA PRODUCTION COMPANY, sent to the Farmington

This application is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

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

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

NMOC

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 30-045-32078	² Pool Code 72319	³ Pool Name BLANCO MESAVERDE
⁴ Property Code 000282	⁵ Property Name Atlantic B LS	⁶ Well Number # 3B
⁷ OGRID No. 000778	⁸ Operator Name BP AMERICA PRODUCTION COMPANY	⁹ Elevation 6408

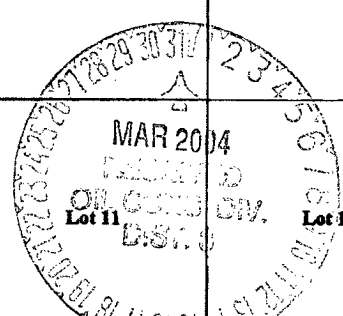
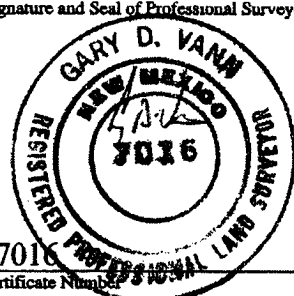
¹⁰ Surface Location

UL or Lot No. K (Lot 15)	Section 4	Township 30 N	Range 10 W	Lot Idn	Feet from the 1960	North/South line SOUTH	Feet from the 2245	East/West line WEST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

¹² UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹³ Dedicated Acres 320.26	¹⁴ Joint or Infill	¹⁵ Consolidation Code	¹⁶ Order No.						

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

¹⁶ 5248(R)				¹⁷ OPERATOR CERTIFICATION			
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.			
Atlantic B LS 3 30-045-09850 11650' FSL & 790' FWL 2245'				Signature MAY COLEY			
Lot 15				Printed Name MAY COLEY			
Lot 14				Title SR. REGULATORY ANALYST			
Lot 13				Date 12.10.2003			
Lot 12				¹⁸ SURVEYOR CERTIFICATION			
Atlantic B LS 3A 30-045-22989 1800' FSL & 825' FEL				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							
Certificate Number				7016			

BLM CONDITIONS OF APPROVAL

Operator: BP America Production Company

Well Name: Atlantic B LS 3B

Legal Location: 1960' FSL, 2245' 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: 3 B
Surface Location: 4-30N-10W; 1960 FSL, 2245 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 Rotary		DEPTH OF DRILLING 0 - TD	Estimated GL: 6415		Estimated KB: 6429	
LOG PROGRAM TYPE <u>OPEN HOLE</u> None <u>CASED HOLE</u> GR-CCL			MARKER Ojo Alamo 4704 Kirtland 4608 Fruitland 3900 Fruitland Coal * 3625 Pictured Cliffs * 3321 Lewis * 3148 Cliff House # 1838 Menefee # 1527 Point Lookout # 1106 Mancos 815			
			SUBSEA 1725 1821 2529 2804 3109 3281 4591 4902 5323 5614			
REMARKS: - Please report any flares (magnitude & duration).			TOTAL DEPTH 706 # Probable completion interval * Possible Pay 5723			
SPECIAL TESTS			DRILL CUTTING SAMPLES		DRILLING TIME	
TYPE None			FREQUENCY None	DEPTH Production hole	FREQUENCY Geolograph	DEPTH 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 - 2754 (1)	Water/LSND	8.6-9.2		<6		
2754 - 5723	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	2754	5 1/2"	J-55 ST&C	15.5#	7.875"	1,2
Production	5723	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		
Form 46 12-00 MNP						

BP America Production Company

BOP Pressure Testing Requirements

Well Name: Atlantic B LS
County: San Juan

3 B
State: New Mexico

Formation	Estimated TVD/MD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	1725		
Fruitland Coal	2804		
PC	3109		
Lewis Shale	3281		
Cliff House	4591	500	0
Menefee Shale	4902		
Point Lookout	5323	600	0
Mancos	5614		

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

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.

FEDERAL CEMENTING REQUIREMENTS

- 1. All permeable zones containing fresh water and other usable water containing 10,000 PPM or less total dissolved solids will be isolated and protected from contamination by cement circulated in place for the protection of permeable zones per the NTL-FRA 90-1 Section III A.**
 - 2. The hole size will be no smaller than 1 ½" larger diameter than the casing O.D. across all water zones.**
 - 3. An adequate spacer will be pumped ahead of the cement slurry to help prevent mud contamination of the cement.**
 - 4. An adequate number of casing centralizers will be run through usable water zones to ensure that the casing is centralized through these zones. The adequate number of centralizers to use will be determined by API SPEC 10D.**
 - 5. Centralizers will be used just below and into the base of the lowest usable water zone.**
 - 6. A chronological log will be kept recording the pump and slurry information and will be sent to the BLM with the subsequent sundry.**
-

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

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

8. Well Name and No.
ATLANTIC B LS 3B

3a. Address

P. O. BOX 3092
HOUSTON, TX 77253

3b. Phone Nos (include area code)

Ph: 281.366.4491

Fx: 281.366.0700

9. API Well No.
30-045-32078-00-X1

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 4 T30N R10W NESW Lot L 1960FSL 2245FWL
36.50300 N Lat, 107.53400 W Lon10. Field and Pool, or Exploratory
BLANCO MESAVERDE

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☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other
Change to Original A
PD

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 recomplate 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 26226. 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 BHST READY MIX CMT

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations.

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

Electronic Submission #28049 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 (04AXG0671SE)

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

/s/ David J. Mankiewicz

Title

MAR 29 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

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 ****

NMCCD

Cementing Program

Well Name: Atlantic B LS 3B
 Location: 04-30N-10W, 1960 FSL, 2245 FWL
 County: San Juan
 State: New Mexico

Field: Blanco Mesaverde
 API No.
 Well Flac
 Formation: Mesa Verde
 KB Elev (est) 6429
 GL Elev. (est) 6415

Casing Program:

Casing String	Est. Depth (ft.)	Hole Size (in.)	Casing Size (in.)	Thread	TOC (ft.)	Stage Tool Or TOL (ft.)
Surface	120200	12 1/4	8 5/8	ST&C	Surface	NA
Intermediate	2754	7 7/8	5 1/2	ST&C	Surface	NA
Production -	5723	4 3/4	2 7/8		2654	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	7.972
Intermediate	5 1/2		15.5 J55	4810	4040	202	0.0238	5.067
Production -	2 7/8		6.5 J-55	7264	7676	72	0.00579	2.375

Mud Program

Apx. Interval (ft.)	Mud Type	Mud Weight	Recommended Mud Properties Prio Cementing:
0 - SCP	Water/Spud	8.6-9.2	Fluid Loss <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		
TOC@Surface	+ 2% CaCl2 (accelerator)		
	0.25 #/sk Cellophane Flake (lost circulation additive)		
	0.1% D46 antifoam		
Slurry Properties:	Density (lb/gal)	Yield (ft ³ /sk)	Water (gal/sk)
Slurry 1	15.2	1.27	5.8

102
 95 cuft
 0.3961 cuft/ft OH
 100 % excess

Intermediate:

Cementing Program

Fresh Water 20 bbl fresh water

Lead
Slurry 1
TOC@Surface

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

70 sx 50/50 Class "G"/Poz

Tail
Slurry 2

+ 2% gel (extender)
0.1% D46 antifoam
+ 1/4 #/sk. Cellophane Flake
+ 2% S1 Calcium Chloride

500 ft fill

783
~~784~~ cuft

87 cuft

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

Slurry Properties:

Density
(lb/gal)

Yield
(ft³/sk)

Water
(gal/sk)

Slurry 1
Slurry 2

11.7
13.5

2.61
1.27

17.77
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

TOC 200 ft in 5 1/2"

353
~~349~~ cuft

Slurry Properties:

Density
(lb/gal)

Yield
(ft³/sk)

Water
(gal/sk)

Slurry

9.5

2.52

6.38

0.078 cuft/ft OH
40 % excess
0.0886 cuft/ft csg ann