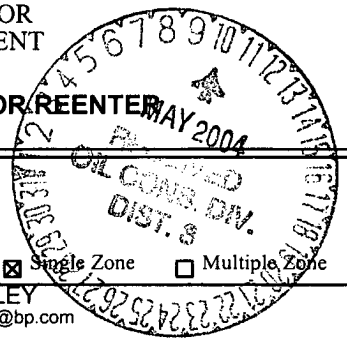
Form 3160-3
(August 1999)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER



5. Lease Serial No.
NMSF ~~080032~~ NMSF078201

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

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

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
FLORANCE 22B

2. Name of Operator
BP AMERICA PRODUCTION COMPANY
Contact: MARY CORLEY
E-Mail: corleyml@bp.com

9. API Well No.
30045 32130

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

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

10. Field and Pool, or Exploratory
BLANCO MESAVERDE

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface NWNE Lot B 590FNL 1570FEL 36.44700 N Lat, 107.43600 W Lon

At proposed prod. zone

11. Sec., T., R., M., or Blk. and Survey or Area
B Sec 12 T29N R9W Mer NMP
SME: BLM

14. Distance in miles and direction from nearest town or post office*
20 MILES FROM BLOOMFIELD, NEW MEXICO

12. County or Parish
SAN JUAN

13. State
NM

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
570

16. No. of Acres in Lease
320.00

17. Spacing Unit dedicated to this well
320.00 E/2

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
693 - FLORANCE 16R PC WELL

19. Proposed Depth
5639 MD

20. BLM/BIA Bond No. on file
WY2924

21. Elevations (Show whether DF, KB, RT, GL, etc.
6368 GL

22. Approximate date work will start
02/26/2004

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:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name (Printed/Typed)	Date
(Electronic Submission)	MARY CORLEY	01/14/2004

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 #26844 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 procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

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

NMOCD

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	2 Pool Code	3 Pool Name
30-045-32130	72319	Blanco Mesaverde

4 Property Code	5 Property Name	6 Well Number
000518	Florance	# 22B

7 OGRID No.	8 Operator Name	9 Elevation
000778	BP AMERICA PRODUCTION COMPANY	6368

10 Surface Location

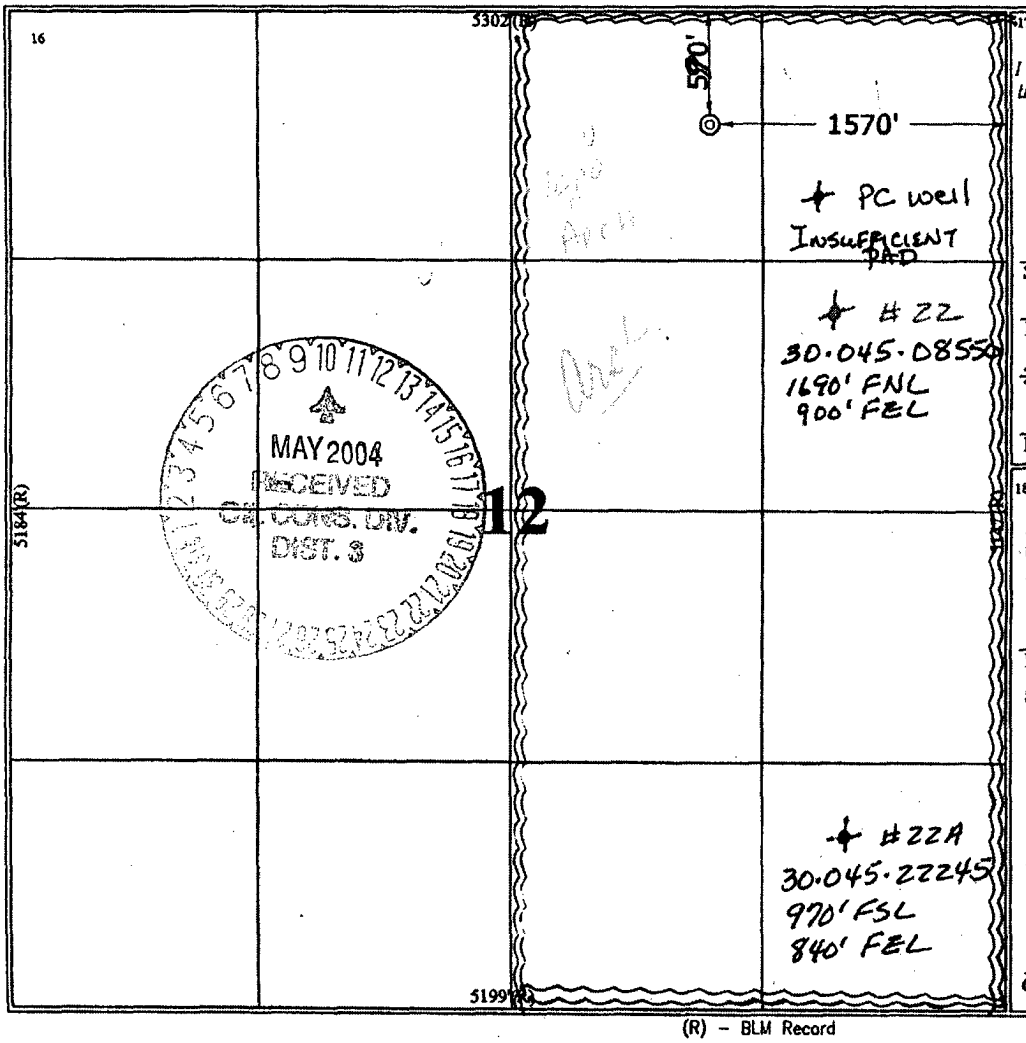
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	12	29 N	9 W		590	NORTH	1570	EAST	SAN JUAN

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	13 Joint or Infill	14 Consolidation Code	15 Order No.
320			NSL 5003

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Mary Corley

Printed Name

Sr. Regulatory Analyst

Title

01-14-2004

Date

18 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 12, 2003

Date of Survey

Signature and Seal of Professional Surveyor

GARY L. JONES NEW MEXICO 7016 REGISTERED PROFESSIONAL LAND SURVEYOR

7016

Certificate Number

(R) – BLM Record

BP AMERICA PRODUCTION COMPANY
DRILLING AND COMPLETION PROGRAM

Prospect Name: Florance
Lease: Florance
County: San Juan
State: New Mexico
Date: December 3, 2003

Well No: 22 B
Surface Location: 12-29N-9W; 590 FNL, 1570 FEL
Field: Blanco Mesaverde

OBJECTIVE: Drill 400' below the top of the Point Lookout Sandstone, set 41/2" production liner, Stimulate CH, MF and PL intervals

METHOD OF DRILLING

TYPE OF TOOLS	DEPTH OF DRILLING
Rotary	0 - TD

LOG PROGRAM

TYPE	DEPTH INVERAL
OPEN HOLE	
None	
CASED HOLE	
GR-CCL-TDT	TDT – TD to 7" shoe

REMARKS:
- Please report any flares (magnitude & duration).

APPROXIMATE DEPTHS OF GEOLOGICAL MARKER

Estimated GL: 6368 Estimated KB: 6382

MARKER		SUBSEA	TVD
Ojo Alamo		4419	1963
Kirtland		4342	2040
Fruitland		3857	2525
Fruitland Coal	*	3569	2813
Pictured Cliffs	*	3363	3019
Lewis	*	3165	3217
Cliff House	#	1854	4528
Menefee	#	1574	4808
Point Lookout	#	1143	5239
Mancos		794	5588
TOTAL DEPTH		743	5639

Probable completion interval * Possible Pay

SPECIAL TESTS

TYPE
None

REMARKS:

DRILL CUTTING SAMPLES

FREQUENCY	DEPTH
None	Production hole

DRILLING TIME

FREQUENCY	DEPTH
Geolograph	0-TD

MUD PROGRAM:

Approx. Interval			Type Mud	Weight, #/gal	Vis, sec/qt	W/L cc's/30 min	Other Specification
0	- 120		Spud	8.6-9.2			
120	- 2763	(1)	Water/LSND	8.6-9.2		<6	
2763	- 5639		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	120	9 5/8"	H-40 ST&C	32#	12.25"	1
Intermediate	2763	7"	J/K-55 ST&C	20#	8.75"	1,2
Production	5639	4 1/2"	J-55	10.5#	6.25"	3,4

REMARKS:
(1) Circulate Cement to Surface
(2) Set casing 50' above Fruitland Coal
(3) Bring cement 100' above 7" 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:	APPROVED:	DATE:
HGJ/MNP/JMP		December 3, 2003 Version 1.0

Form 46 12-00 MNP

BP America Production Company
BOP Pressure Testing Requirements

Well Name: Florance 22 B
County: San Juan **State:** New Mexico

Formation	Estimated TVD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	1963		
Fruitland Coal	2813		
PC	3019		
Lewis Shale	3217		
Cliff House	4528	500	0
Menefee Shale	4808		
Point Lookout	5239	600	0
Mancos	5588		

** 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.

Form 3160-5
(August 1999)

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMSF078201

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM73130

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

8. Well Name and No.
FLORANCE 22B

2. Name of Operator
BP AMERICA PRODUCTION CO
Contact: MARY CORLEY
E-Mail: corleyml@bp.com

9. API Well No.
30-045-32130-00-X1

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

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

10. Field and Pool, or Exploratory
BLANCO MESAVERDE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 12 T29N R9W NWNE Lot B 590FNL 1570FEL
36.44700 N Lat, 107.43600 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 to Original A PD
	☐ 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.)

Original APD submitted on 01/14/2004, EC Submission 26844. 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

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #28045 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 (04AXG0668SE)

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 — Date MAY - 5 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 ****

[redacted] NMOCD

Cementing Program

Well Name:	Florance 22B	Field:	Blanco Mesaverde
Location:	12-29N-09W, 590 FNL, 1570 FEL	API No.	
County:	San Juan	Well Flac	
State:	New Mexico	Formation:	MesaVerde
		KB Elev (est)	6382
		GL Elev. (est)	6368

Casing Program:

Casing String	Est. Depth (ft.)	Hole Size (in.)	Casing Size (in.)	Thread	TOC (ft.)	Stage Tool Or TOL (ft.)	Cmt Cir. Out (bbl.)
Surface	120	12 1/2	8 5/8	ST&C	Surface	NA	
Intermediate	2763	7 7/8	5 1/2	ST&C	Surface	NA	
Production -	5639	4 3/4	2 7/8		2663	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	J-55	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
0 - SCP	Water/Spud	8.6-9.2
SCP - ICP	Water/LSND	8.6-9.2
ICP - ICP2	Gas/Air Mist	NA
ICP2 - TD	LSND	8.6 - 9.2

Recommended Mud Properties Prio Cementing:

Fluid Loss <6

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.

Notes:

*Do not wash up on top of plug. Wash lines before displacing production cement job to minmize drillout.

Surface:

Preflush	20 bbl.	FreshWater	
Slurry 1	80 sx Class C Cement		102 ~~98~~ cuft
TOC@Surface	+ 2% CaCl (accelerator)		
	0.25 #/sk Cellophane Flake (lost circulation additive)		0.3132 cuft/ft OH
	0.1% D46 antifoam		100 % excess

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	15.2	1.27	5.8

Casing Equipment:

9-5/8", 8R, ST&C
1 Guide Shoe
1 Top Wooden Plug
1 Autofill insert float valve
Centralizers, 1 per joint except top joint
1 Stop Ring
1 Thread Lock Compound

Intermediate:

Cementing Program

	Fresh Water	20 bbl	fresh water	
	Lead	260 sx	Class "G" Cement	~~665~~ 679 cuft
	Slurry 1		+ 3% D79 extender	
	TOC@Surface		+1/4 #/sk. Cellophane Flake	
			+ 0.1% D46 antifoam'	
		60 sx	50/50 Class "G"/Poz	
	Tail		+ 2% gel (extender)	75 cuft
	Slurry 2		0.1% D46 antifoam	
	500 ft fill		+1/4 #/sk. Cellophane Flake	0.1503 cuft/ft OH
			+ 2% S1 Calcium Chloride	0.1746 cuft/ft csg ann
				80 % excess

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	11.7	2.61	17.77
Slurry 2	13.5	1.27	5.72

Casing Equipment: 7", 8R, ST&C

1 Float Shoe
1 Float Collar
1 Stop Ring
Centralizers, one every other joint to base of Ojo
2 Turbolizers across Ojo
Centalizers, one every 4th joint from Ojo to base of surface casing
1 Top Rubber Plug
1 Thread Lock Compound

Production:

	Fresh Water	10 bbl	CW100	
	Slurry	180	LiteCrete D961 / D124 / D154	~~428~~ 454 cuft
			+ 0.03 gps D47 antifoam	
			+ 0.5% D112 fluid loss	
	TOC@Liner Top		+ 0.11% D65 TIC	
				0.1026 cuft/ft OH
				40 % excess
				0.1169 cuft/ft csg ann

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry	9.5	2.52	6.38

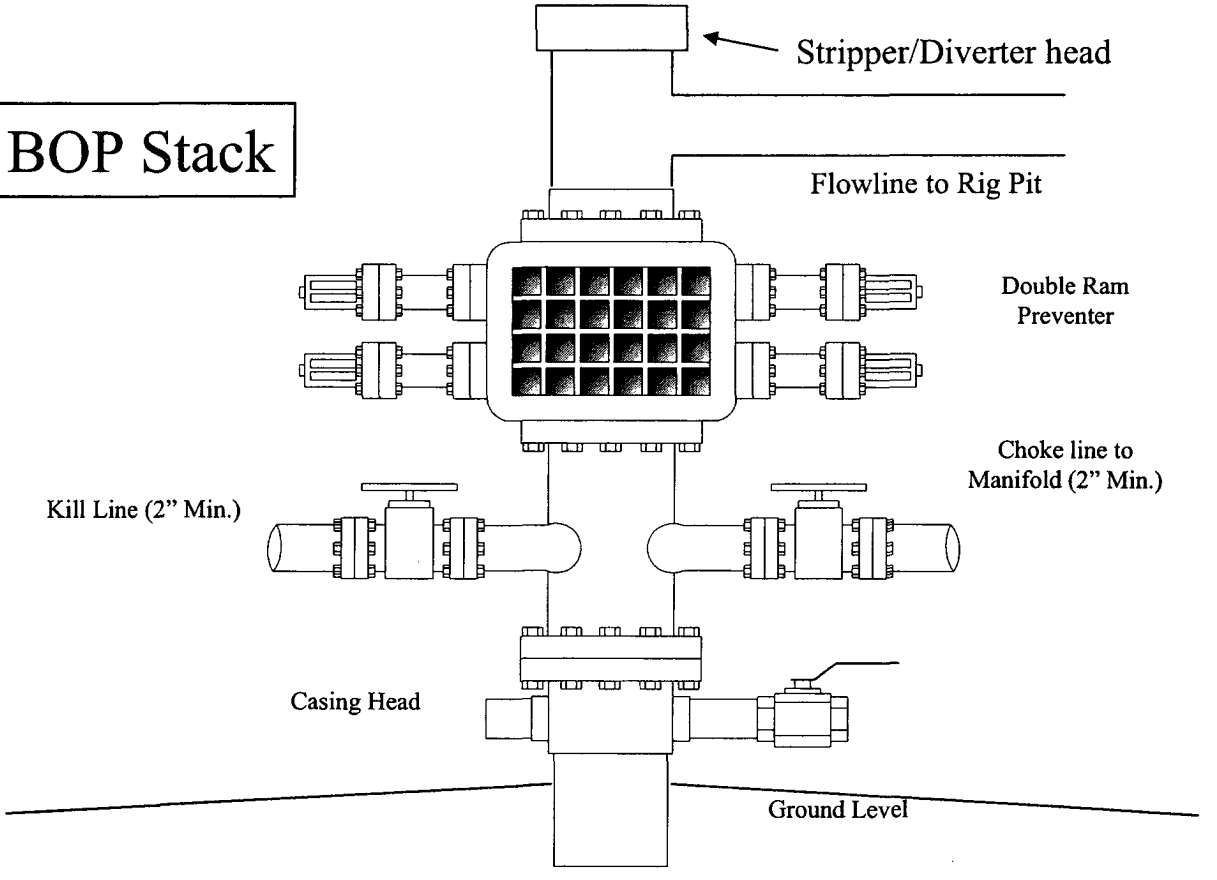
Casing Equipment: 4-1/2", 8R, ST&C

1 Float Shoe (autofill with minimal LCM in mud)
1 Float Collar (autofill with minimal LCM in mud)
1 Stop Ring
Centralizers, every 4th joint in mud drilled holes, none in air drilled holes
1 Top Rubber Plug
1 Thread Lock Compound

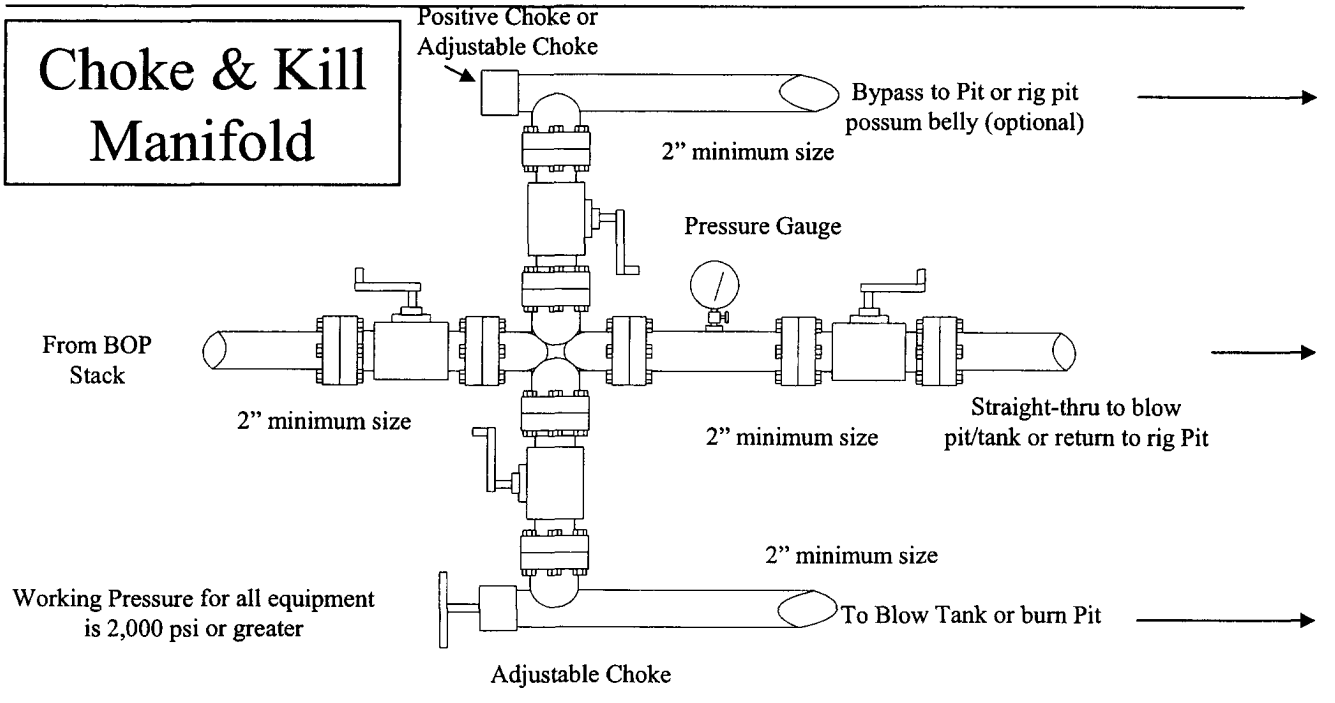
BP American Production Company

Well Control Equipment Schematic

BOP Stack

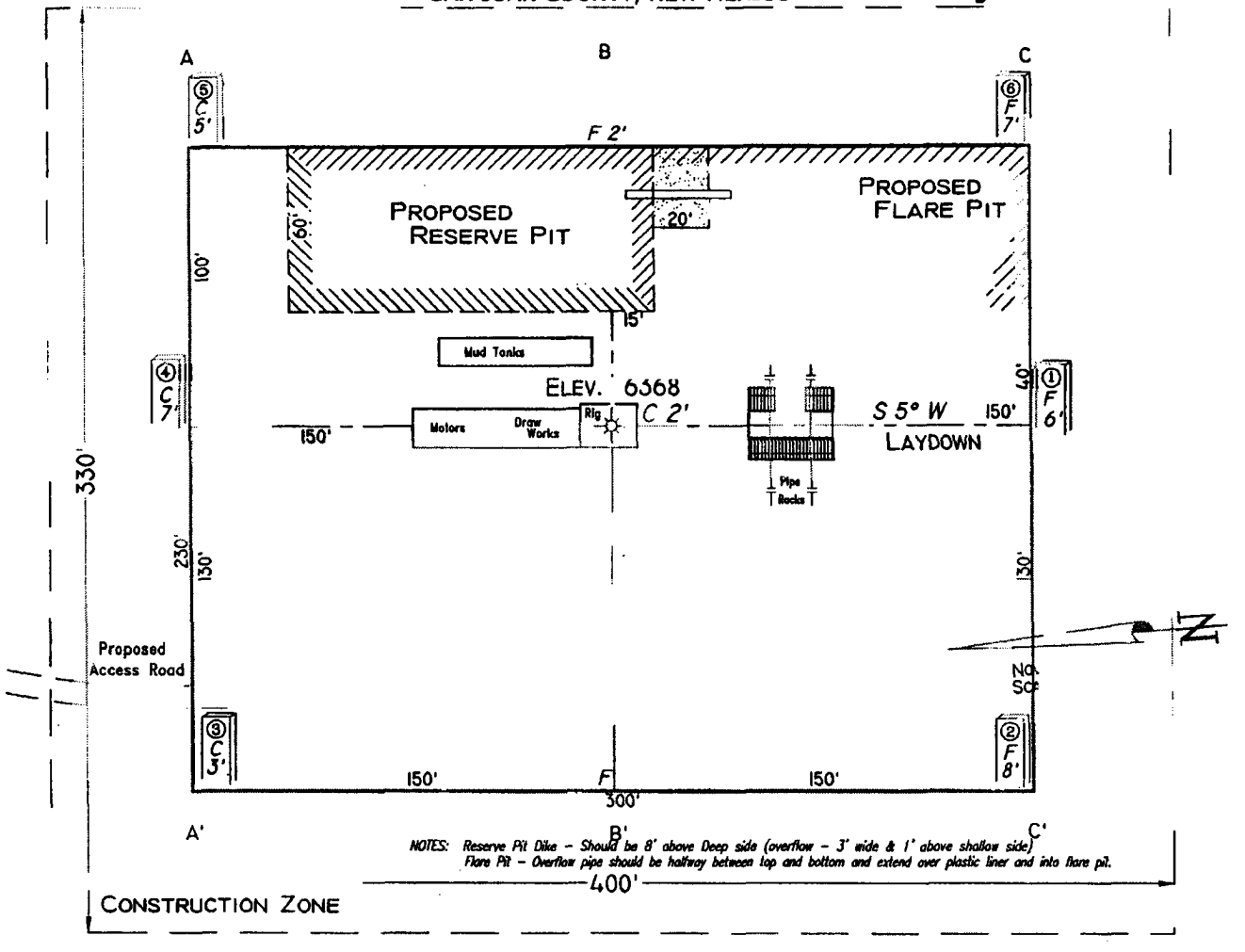


Choke & Kill Manifold



PAD LAYOUT PLAN & PROFILE
BP AMERICA PRODUCTION COMPANY
Florance # 22B
590' F/NL 1570' F/EL
SEC. 12, T29N, R9W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

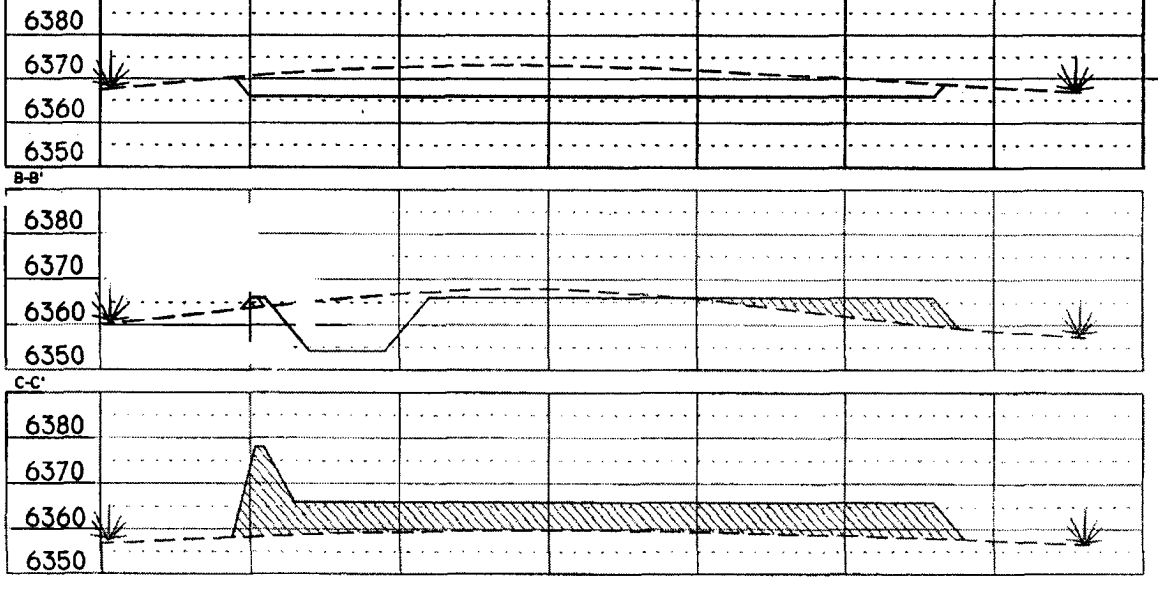
Lat: 36°44'41"
Long 107°43'35"



NOTES: Reserve Pit Dike – Should be 8' above Deep side (overflow – 3' wide & 1' above shallow side)
Flare Pit – Overflow pipe should be halfway between top and bottom and extend over plastic liner and into flare pit.

Area of Construction Zone – 330'x400' or 3.03 acres, more or less.

SCALE: 1"=60'-HORIZ.
1"=40'-VERT.



NOTE: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

Cuts and fills shown are approximate – final finished elevation is to be adjusted so earthwork will balance. Corner stakes are approximate and do not include additional areas needed for sideslopes and drainages. Final Pad Dimensions are to be verified by Contractor.

VANN SURVEYS
P. O. Box 1306
Farmington, NM