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 - 078509-A

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.
TANK MOUNTAIN B 1S

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

9. API Well No.
30-045-31431

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
BASIN FRUITLAND COAL

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

At surface SESE Lot 16 845FSL 740FEL 36.57000 N Lat, 107.47800 W Lon

At proposed prod. zone

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 29 T32N R9W Mer NMP

14. Distance in miles and direction from nearest town or post office*
17.5 MILES TO AZTEC, 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)
740

16. No. of Acres in Lease
317.66

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

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
3000

19. Proposed Depth
3779 MD

20. BLM/BIA Bond No. on file
WY2924

21. Elevations (Show whether DF, KB, RT, GL, etc.
6816 GL

22. Approximate date work will start
04/24/2003

23. Estimated duration
3 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
(Electronic Submission)

Name (Printed/Typed)
MARY CORLEY

Date
02/27/2003

Title
AUTHORIZED REPRESENTATIVE

Approved by (Signature)
/s/ David J. Mankiewicz

Name (Printed/Typed)

Date
APR - 3 2003

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 #18985 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

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

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
30-045-31431	71629	Basin Fruitland Coal

[4] Property Code	[5] Property Name	[6] Well Number
001158	Tank Mountain B	# 1S

[7] OGRID No.	[8] Operator Name	[9] Elevation
000778	BP AMERICA PRODUCTION COMPANY	6816

[10] Surface Location

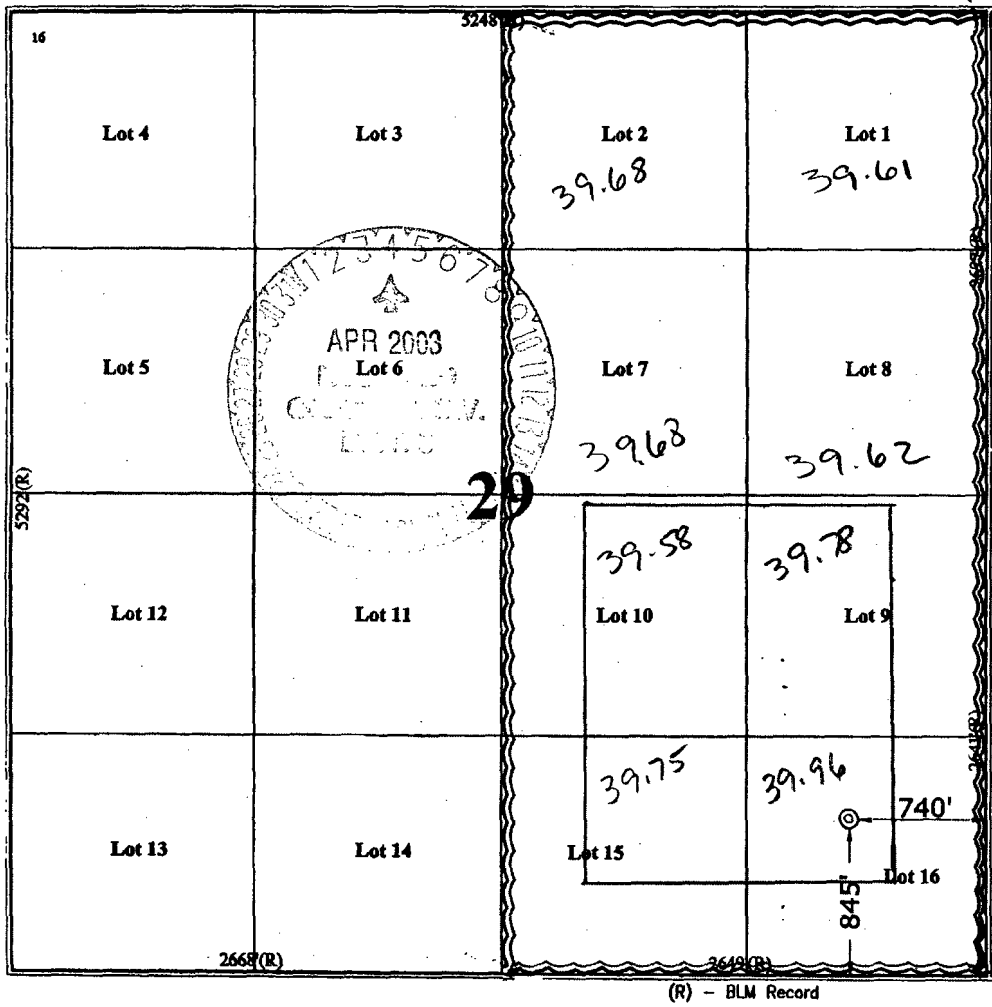
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P (Lot 16)	29	32 N	9 W		845	SOUTH	740	EAST	SAN JUAN

[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.
317.66			

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

Printed Name: Mary Corley

Title: Sr. Regulatory Analyst

Date: 02-27-2003

[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.

January 28, 2003
Date of Survey

Signature and Seal of Professional Surveyor

GARY D. VANN
NEW MEXICO
7016
REGISTERED PROFESSIONAL LAND SURVEYOR

7016
Certificate Number

(R) – BLM Record

BP AMERICA PRODUCTION COMPANY
DRILLING AND COMPLETION PROGRAM

Prospect Name: Tank Mountain B
Lease:
County: San Juan
State: New Mexico
Date: February 20, 2003

Well No: 1S
Surface Location: Section 29P, T32N, R9W; 845' FSL, 740'
Field: Basin Fruitland Coal

OBJECTIVE: Drill to a TD of 3779' md, set 7" casing and perf and frac the Fruitland Coal interval.

METHOD OF DRILLING

TYPE OF TOOLS	DEPTH OF DRILLING
Rotary	0 – 3779' MD, 3791' KB

LOG PROGRAM

TYPE	DEPTH INVERAL
OPEN HOLE	
Run 3-detector Litho-Density. **(see Remarks section below).**	TD up to minimum charge.
CASED HOLE	

REMARKS:
- Primary presentation is Bulk Density Presentation (5"=100') with <1.75 g/cc shaded as coal. High resolution pass across the Fruitland interval only. Three final prints to Dan Crosby in Houston.

APPROXIMATE DEPTHS OF GEOLOGICAL MARKER

Estimated GL: 6816 Estimated KB: 682

MARKER		SUBSEA	MEAS.
Ojo Alamo		4498	
Kirtland		4431	
Fruitland		3631	
Fruitland Coal	*#	3187	
Pictured Cliffs	*	3168	
TOTAL DEPTH		3037	

Probable completion interval * Possible Pay

SPECIAL TESTS

TYPE
None

REMARKS: **Obtain reservoir pressures by individual coal seam before starting production.**

DRILL CUTTING SAMPLES		DRILLING TIM	
FREQUENCY	DEPTH	FREQUENCY	DI
none	none	Geolograph	0-

MUD PROGRAM:

Approx. Interval			Type Mud	Weight, #/ga	Vis, sec/qt	W/L cc's/30 min	Other Specificati
0	- 120		Spud	8.6-9.2			
120	- 3779	(1)	Water/LSND	8.6-9.2		<6	
	-		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 C

Casing String	Estimated Depth	Casing Size	Grade	Weight	Hole Size	Landing Pt, Cm
Surface/Conductor	120	9 5/8"			12.5"	1
Intermediate	3779	7"			8.75"	1
Production						

REMARKS:
(1) Circulate Cement to Surface

CORING PROGRAM:
None

COMPLETION PROGRAM:
Rigless, Single 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: Daniel Crosby	**APPROVED:**	**DATE:** 2/20/2003	
Form 46 12-00 MNP			

SAN JUAN BASIN
Fruitland Formation
Pressure Control Equipment

Background

The objective Fruitland Coal 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 rights 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 Basin Dakota. No abnormal temperature, pressure, or H2S anticipated.

Equipment Specification

Interval	BOP Equipment
Below conductor casing to total depth	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 2000 psi (high pressure), upon installation, following any repairs or equipment replacements, or at 30 day intervals. Accessories to BOP equipment will include kelly cock, upper 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 impart a swirling action around the casing and 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.**