

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

|                                   |   |                           |  |
|-----------------------------------|---|---------------------------|--|
| API Number<br><b>30-045-31620</b> |   | Pool Code<br><b>71629</b> | Pool Name<br><b>Basin Fruitland Coal</b> |
| Property Code<br><b>570</b>       | Property Name<br><b>Gallegos Canyon Unit</b>          |                           | Well Number<br><b># 597</b>              |
| OGRID No.<br><b>778</b>           | Operator Name<br><b>BP AMERICA PRODUCTION COMPANY</b> |                           | Elevation<br><b>5554</b>                 |

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>J (Lot 8)</b> | <b>21</b> | <b>29 N</b> | <b>12 W</b> |         | <b>2200</b>   | <b>SOUTH</b>     | <b>2310</b>   | <b>EAST</b>    | <b>SAN JUAN</b> |

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<br><b>288.51</b> | Joint or Infill | Consolidation Code | 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

|                  |  |  |  |  |  |   |  |
|------------------|--|--|--|--|--|---|--|
|                  |  |  |  |  |  | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cherry Hlava</i><br/>Signature<br/><b>Cherry Hlava</b><br/>Printed Name<br/><b>Regulatory Analyst</b><br/>Title<br/><b>4-7-03</b><br/>Date</p>  |  |
| <p><b>21</b></p> |  |  |  |  |  | <p><b>SURVEYOR CERTIFICATION</b></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><b>March 19, 2003</b><br/>Date of Survey</p> <p><i>[Signature]</i><br/>Signature and Seal of Professional Surveyor</p> <p><br/>7016<br/>Certificate Number</p> |  |

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

**Prospect Name:** GCU 597  
**Lease:** GALLEGOS CANYON UNIT  
**County:** San Juan  
**State:** New Mexico  
**Date:** April 8, 2003

**Well No:** 597  
**Surface Location:** 2200' FSL & 2310' FEL  
 Sec. 21, 29N-12W  
**Field:** Basin Fruitland Coal

**OBJECTIVE:** Drill 200' into the Pictured Cliffs, set 4 1/2" casing to TD, perf & stimulate Fruitland Coal interval

| METHOD OF DRILLING  |                   | APPROXIMATE DEPTHS OF GEOLOGICAL MARKER |       |                    |             |
|---|-------------------|---|-------|--------------------|-------------|
| TYPE OF TOOLS   | DEPTH OF DRILLING | Estimated GL: 5554                      |       | Estimated KB: 5558 |             |
| Rotary/Top Drive  | 0 - TD            | MARKER                                  |       | SUBSEA             | MEAS. DEPTH |
| <b>LOG PROGRAM</b><br>TYPE DEPTH INVERAL<br>Open Hole (Platform Express) TD to base of surface casing |                   | Ojo Alamo                               |       | 5324               | 241         |
|   |                   | Kirtland                                |       | 5238               | 327         |
|   |                   | Fruitland Coal                          | #     | 4060               | 1505        |
|   |                   | Pictured Cliffs                         | *     | 4021               | 1544        |
| <b>REMARKS:</b><br>- Please report any flares (magnitude & duration).                                 |                   | TOTAL DEPTH                             |       | 3821               | 1744        |
|   |                   | # Completion interval                   |       | * Possible Pay     |             |
| SPECIAL TESTS   |                   | DRILL CUTTING SAMPLES                   |       | DRILLING TIME      |             |
| TYPE  |                   | FREQUENCY                               | DEPTH | FREQUENCY          | DEPTH       |
| None  |                   | None                                    |       | Geolograph         | 0-TD        |
| REMARKS:  |                   |   |       |                    |             |

**MUD PROGRAM:**

| Approx. Interval   | Type Mud   | Weight, #/gal | Vis, sec/qt | W/L cc's/30 min | Other Specification |
|--------------------|------------|---------------|-------------|-----------------|---------------------|
| 0 - 120-135 3 jts. | Spud       | 8.6-9.2       |             |                 |                     |
| 120-135 - TD (1)   | Water/LSND | 8.6-9.2       |             |                 |                     |

**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 Point, Cement, Etc. |
|-------------------|-----------------|-------------|-----------|--------|-----------|-----------------------------|
| Surface/Conductor | 120-135         | 7"          | J 55 ST&C | 23#    | 8.75"     | 1                           |
| Production        | 1744            | 4 1/2"      | J 55 ST&C | 10.5#  | 6.25"     | 1,2                         |

**REMARKS:**  
 (1) Circulate Cement to Surface  
 (2) Set casing 200' below top of Pictured Cliffs

**CORING PROGRAM:**  
 None

**COMPLETION PROGRAM:**  
 Rigless, Single Stage 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: DLJ

|                     |                  |              |
|---------------------|------------------|--------------|
| <b>PREPARED BY:</b> | <b>APPROVED:</b> | <b>DATE:</b> |
| HGJ/JLP             |                  |              |

Form 46

## BOP Test Pressure

### BP America Production Company BOP Pressure Testing Requirements

Well Name: GCU 597

County: San Juan

State: New Mexico

| Formation      | TVD  | Anticipated<br>Bottom Hole Pressure | Maximum Anticipated<br>Surface Pressure ** |
|----------------|------|-------------------------------------|--|
| Ojo Alamo      | 234  |                                     |  |
| Kirtland       | 320  |                                     |  |
| Fruitland Coal | 1498 |                                     |  |
| PC             | 1537 |                                     |  |

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

Requested BOP Pressure Test Exception: 750 psi

**SAN JUAN BASIN  
Basin Fruitland Coal  
Pressure Control Equipment**

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#### 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.

**Gallegos Canyon Unit 597**  
**New Drill Subsequent Report**  
**07/15/2003**

**06/26/03** MIRU SU TIH w/3.125 GUN & PERF FRUITLAND COAL 1460' – 1510' w/2 JSPF.  
TOTAL OF 48 HOLES.

**7/7/03** RU SU & FOAM FRAC FC w/60,000 gal. YF 120 70Q XL FOAM & 75,400 lb 16/30 BRADY  
SND. LAST 21,000 lb w/PROPNET. SPEARHEAD 500 gal ACID 15% HCL.

**7/8/03** SPOT EQUIPMENT

**7/9/03** CSG PRESS 100 psi BH 0 psi. ND FV & NUBOP. W/3" FLW LINES. TIH TAG FILL @1585'.  
RU & TST LINES, UNLOAD WELL w/AIR @1585'. RECOVERED 10 bbls FLUID MAKING MED.  
SND. TOH ABOVE PERFS. SDFN.

**7/10/03** 25 psi CSG, 0 BH. TAG FILL @1585'. C/O TO PBTD. Pull above perfs, SDFN.

**7/11/03** 50 PSI CSG, BH 0 PSI. TIH TAG FILL @1692' PBTD. UNLOAD w/AIR-MIST, DEWTR  
WELL, RECOVERED 20 – 30 bbls WTR. MAKING LIGHT TRACE OF SND. PULL ABOVE PERFS.  
SDFN.

**7/14/03** 100 psi CSG. BH 0 psi. TIH TAG FILL @1692. UNLOAD. TIH & LAND TBG @1545'.

**7/14/03** NDBOP. NUWH. PU/PMP RUN ¾" RODS, SEAT & SPACE PMP LOAD TBG. PRESS. TEST  
500 psi. RD.