

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANGEMENT
APPLICATION OFOR PERMIT TO DRILL OR REENTER

2006 FEB 22 AM 11 28
RECEIVED
OTO FARMING

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF - 078120
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well Gas <input type="checkbox"/> Other <input 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 77079-2064	3b. Phone No. (include area code) 281-366-4081	8. Lease Name and Well No. Elliott A LS 1M
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 2050' FSL & 1200' FWL NWSW At proposed prod. Zone 1900' FSL & 700' FWL NWSW		9. API Well No. 30-045-33612
14. Distance in miles and direction from nearest town or post office* 6 MILES NORTH FROM AZTEC, NM		10. Field and Pool, or Exploratory Basin Dakota & Blanco Mesaverde
15. Distance from proposed* Location to nearest Property or lease line, ft. (Also to nearest drig. Ujnit line, if any) 700'	16. No. of Acres in lease 320.35	11. Sec., T., R., M., or Blk, and survey or Area SECTION 19 T31N & R11W L
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1200'	19. Proposed Depth 7247' MD 7213' TVD	12. County or Parish SAN JUAN
21. Elevations (show whether DF, KDB., RT, GL, etc.) 6007' GL	22. Approximate date work will start* 04/15/06	13. State NEW MEXICO
17. Spacing Unit dedicated to this well 320.35 321.4 W/ MV 321.05 S/2 DK		
20. BLM/BIA Bond No. on file WY2924		
23. Estimated duration 8 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 <i>Cherry Hlava</i>	Name (Printed/typed) Cherry Hlava	Date 02/16/06
--------------------------------------	---	-------------------------

Title

Regulatory Analyst

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 3/16/06
---	------------------------------------	------------------------

Title

Office

FPO

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.

*(Instructions on reverse)

HOLD C104 FOR Directional survey

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

This action is subject to technical and procedural review pursuant to 43 CFR 3165.9 and appeal pursuant to 43 CFR 3165.4

NMOC

8

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

Form C-102
 Revised February 21, 1994

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

Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

RECEIVED
 070 FARMINGTON NM
 FEB 22 AM 11 28

AMENDED REPORT

DK 5/2 MV W/2

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-33612		2 Pool Code 71599; 72319		3 Pool Name 71599 Basin Dakota; 72319 Blanco Mesaverde	
4 Property Code 000 440 ✓		5 Property Name Elliott A LS			6 Well Number # 1M ✓
7 OGRID No. 000 778 ✓		8 Operator Name BP AMERICA PRODUCTION COMPANY ✓			9 Elevation 6007 ✓

10 Surface Location

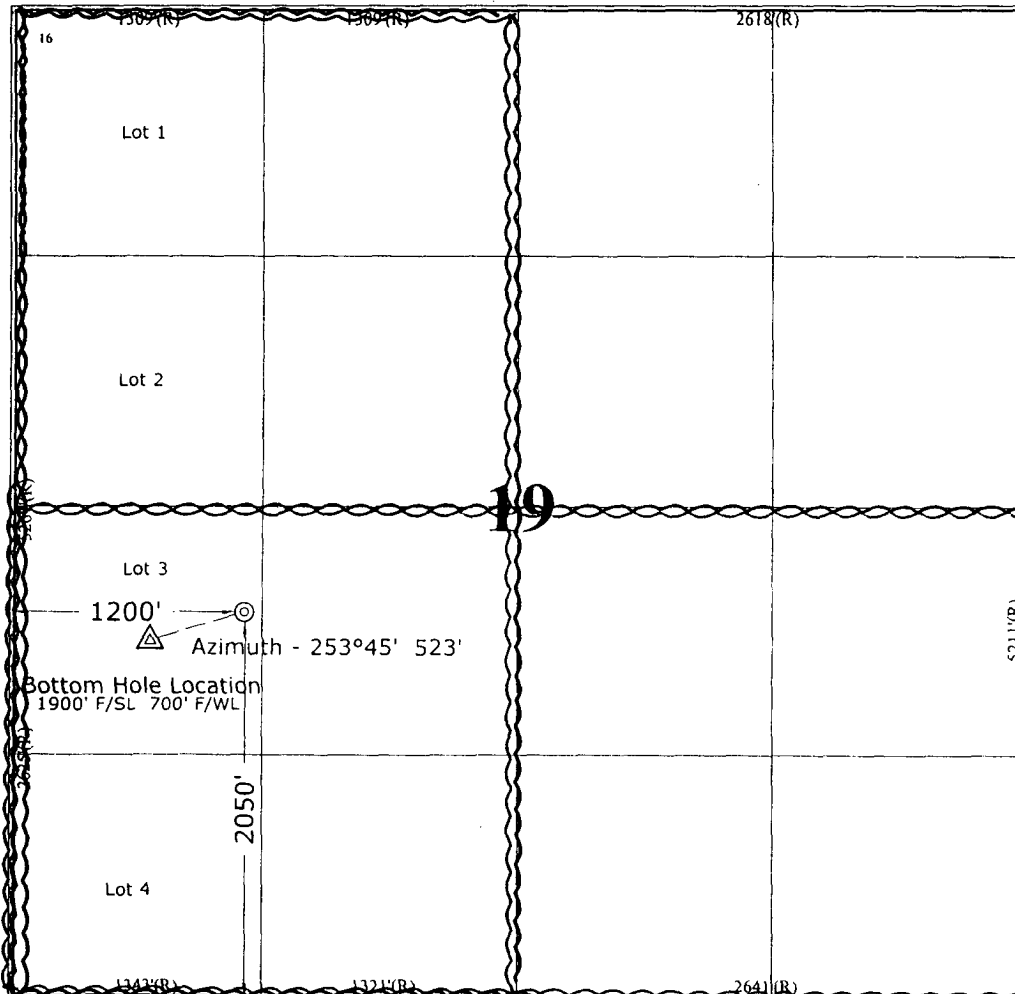
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L (Lot 3)	19	31 N	11 W	3	2050	SOUTH	1200	WEST	SAN JUAN

11 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
L (Lot 3)	19	31 N	11 W	3	1900	SOUTH	700	WEST	SAN JUAN

12 Dedicated Acreage DK 321.05 MV 321.40	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



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

Signature: Cherry Hlava
 Printed Name: Cherry Hlava
 Title: Regulatory Analyst
 Date: 2-16-06

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.

Date of Survey: September 14, 2005
 Signature and Seal of Professional Surveyor: GARY D. VANN
 Registered Professional Land Surveyor
 New Mexico
 7016
 Certificate Number: 7016

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. <u>30-045-33612</u> New Well SF - 078120	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Elliott A LS	
8. Well Number 1 M	
9. OGRID Number 000778	
10. Pool name or Wildcat Basin Dakota & Blanco Mesaverde	

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
BP AMERICA PRODUCTION COMPANY

3. Address of Operator
P.O. BOX 3092 HOUSTON, TX 77079-2064

4. Well Location
 Unit Letter L : 2050 feet from the South line and 1200 feet from the West line
 Section 19 Township 31N Range 11W NMPM SAN JUAN County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6007' GR

Pit or Below-grade Tank Application or Closure

Pit type DRILLING Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >200'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: LINED DRILLING PIT <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Construct a lined drilling pit per BP America – San Juan Basin Drilling/ Workover Pit Construction Plan issued date of 11/17/2004. Pit will be closed according to closure plan on file.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Cherry Hlava TITLE Regulatory Analyst DATE 02/16/06

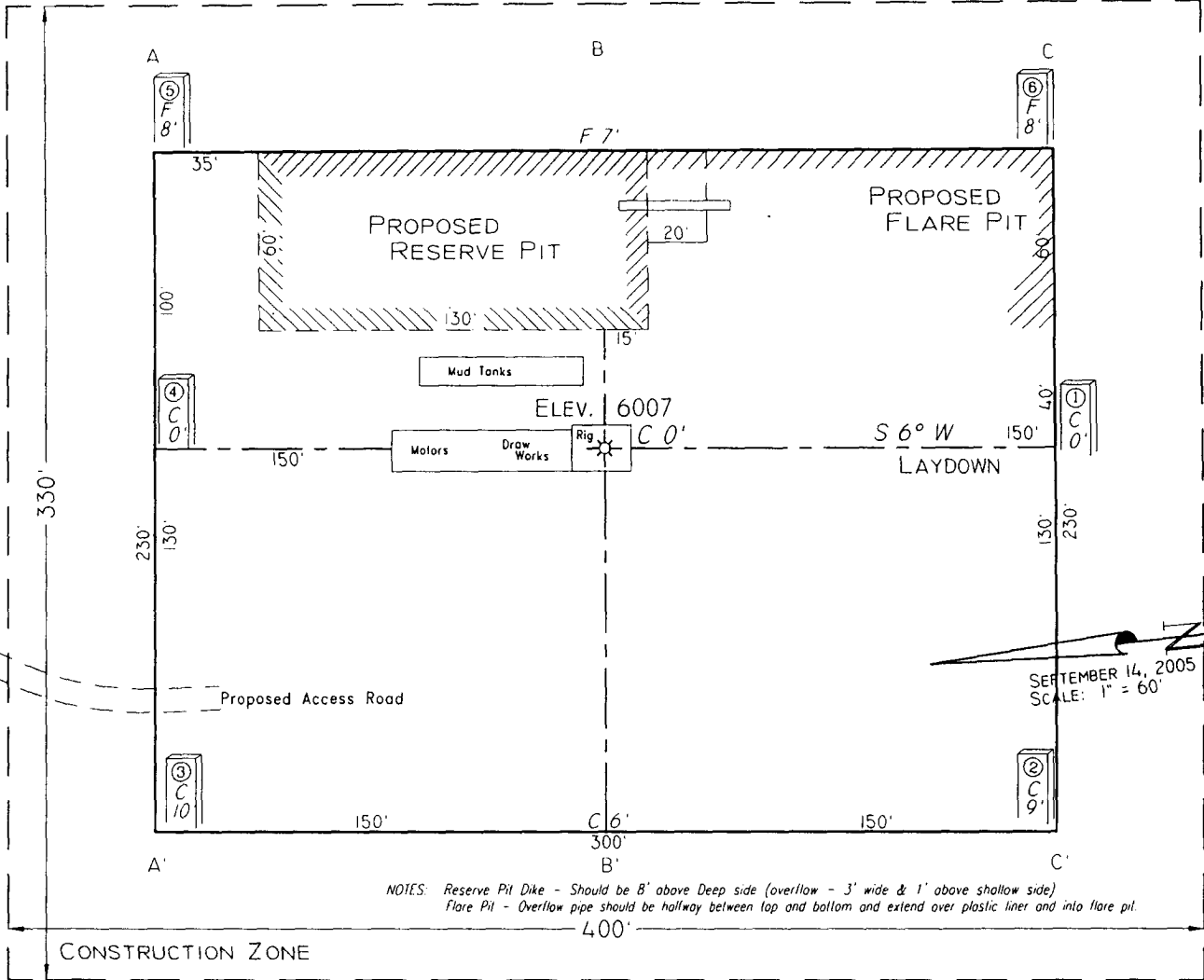
Type or print name Cherry Hlava E-mail address: hlavacl@bp.com Telephone No. 281-366-4081

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 03 DATE MAR 17 2006
 Conditions of Approval (if any): _____

PAD LAYOUT PLAN & PROFILE
BP AMERICA PRODUCTION COMPANY
 Elliott A LS # 1M
 2050' F/SL 1200' F/WL
 SEC. 19, T31N, R11W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36.8831°
 Long: 108.0367°
 Lat: 36°52'59"
 Long: 108°02'12"

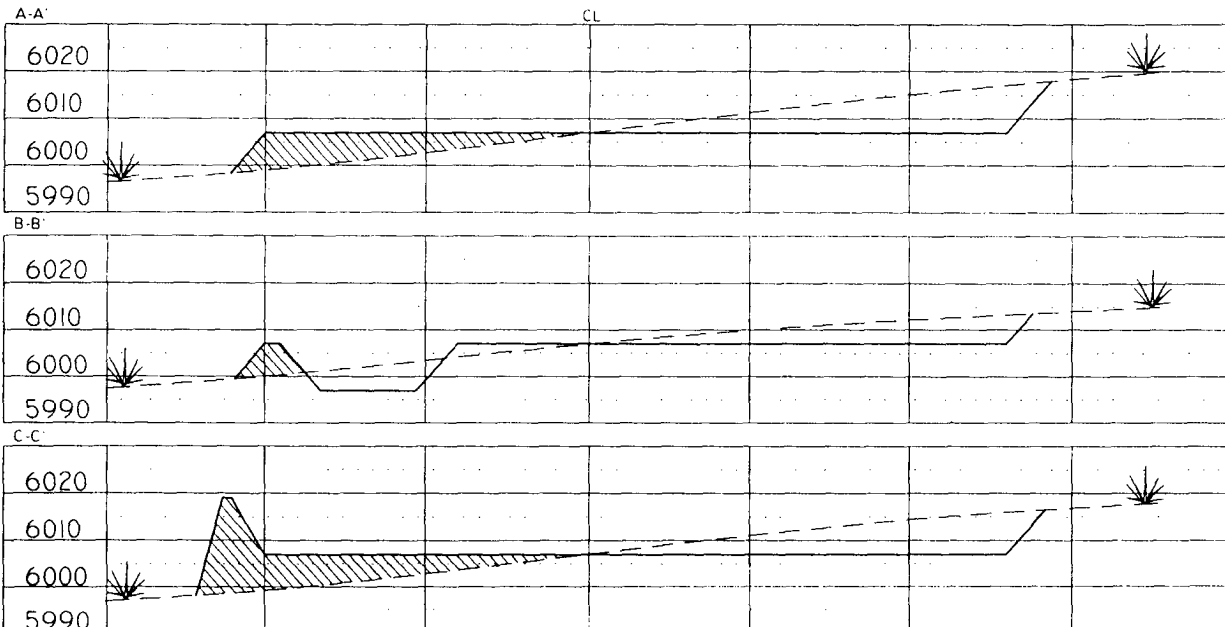


SEPTEMBER 14, 2005
 SCALE: 1" = 60'

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

BP AMERICA PRODUCTION COMPANY

DRILLING AND COMPLETION PROGRAM

12/14/2005

Lease: Elliott A LS	Well Name & No.: Elliott A LS #1M	Field: Blanco Mesaverde/Basin Dakota
County: San Juan, New Mexico	Surface Location: 19-31N-11W: 2050' FSL, 1200' FWL	
Minerals: State	Surface: Lat: 36.8830666 deg; Long: -108.0359117 deg	
Rig: Aztec 184	BH Location: 19-31N-11W: 1900' FSL, 700' FWL; Lat: 36.8826648 deg; Long: -108.0376239 deg	

OBJECTIVE: Drill 260' below the top of the Two Wells Mbr, set 4-1/2" production casing, Stimulate DK, MF, and PL intervals.

METHOD OF DRILLING		APPROXIMATE DEPTHS OF GEOLOGICAL MARKER				
TYPE OF TOOLS	DEPTH OF DRILLING	Actual GL:	6007	Estimated KB:	6,021.0'	
Rotary	0 - TD	Marker		SUBSEA	TVD	APPROX. MD
LOG PROGRAM		Ojo Alamo		5,140'	881'	885'
Type	Depth Interval	Kirtland		5,097'	924'	928'
Single Run		Fruitland	*	4,208'	1,813'	1,825'
		Fruitland Coal	*	3,844'	2,177'	2,192'
		Pictured Cliffs	*	3,505'	2,516'	2,534'
		Lewis	*	3,271'	2,750'	2,770'
Cased Hole		Cliff House	#	2,021'	4,000'	4,032'
RST- CBL	TD to 7" shoe	Menefee	#	1,736'	4,285'	4,318'
	Identify 4 1/2" cement top	Point Lookout	#	1,180'	4,841'	4,875'
REMARKS:		Mancos		815'	5,206'	5,240'
The recommended BHL is near the west and north edges of drillblock, and can be no closer than 660' FWL or not exceeding 1980' FSL (see attached Report all flares.		Greenhorn		-818'	6,839'	6,873'
		Graneros (bent,mkr)		-872'	6,893'	6,927'
The recommended TD is intended to penetrate the top 10' of the BRCN so that the lower ENCN can be produced. See attached cross-section.		Two Wells	#	-932'	6,953'	6,987'
		Paguete	#	-1,012'	7,033'	7,067'
The intermediate casing should be set 100' into the MENF to minimize the risks during drilling through the possible water productive CLFH.		Cubero	#	-1,051'	7,072'	7,106'
		L. Cubero	#	-1,070'	7,091'	7,125'
		Encinal Cyn	#	-1,118'	7,139'	7,173'
		TOTAL DEPTH:		-1,192'	7,213'	7,247'
		# Probable completion interval			* Possible Pay	

SPECIAL TESTS	DRILL CUTTING SAMPLES		DRILLING TIME	
TYPE	FREQUENCY	DEPTH	FREQUENCY	DEPTH
None	30'/10' intervals	4,418' to TD	Geologist	0 - TD
REMARKS:				

MUD PROGRAM:					
Interval	TypeMud	#/gal	Vis, sec/qt	/30 min	Other Specification
200'	Spud	8.8 - 9.0	Sufficient to clean hole.		
4,418'	Water/LSND	8.4 - 9.0		<9	Sweep hole while whilst water drilling, LCM onsite
7,247'	Air	1	1000 cfm for hammer		Volume sufficient to maintain a stable and clean wellbore

CASING PROGRAM:							
CasingString	Depth	Size	Casing Size	Grade, Thread	Weight	Landing Point	Cement
Surface/Conductor	200'	13 1/2"	9-5/8"	H-40 ST&C	32#		cmt to surface
Intermediate 1	4,418'	8-3/4"	7"	J/K-55 ST&C	20#	100' below MENF	cmt to surface
Production	7,247'	6-1/4"	4-1/2"	P110 585	11.6#	DKOT	150' inside Intermediate - TOC survey required

CORING PROGRAM:
None

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

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

BOP Pressure Testing Requirements			
Formation	Depth	Anticipated bottom hole pressure	Max anticipated surface pressure**
Cliffhouse	4,000'	500	0
Point Lookout	4,841'	600	0
Dakota	6,953'	2600	1070.34
Requested BOP Pressure Test Exception = 1500 psi		** Note: Determined using the following formula: ABHP - (.22*TVD) = ASP	

Form 46 Reviewed by:	Logging program reviewed by:		
PREPARED BY:	APPROVED:	DATE:	APPROVED:
HGJ JMP		14-Dec-05	
Form 46 7-84bw	For Drilling Dept.		For Production Dept.

Cementing Program

Well Name: Elliott A LS #1M
 Location: 19-31N-11W: 2050' FSL, 1200' FWL
 County: San Juan
 State: New Mexico

Well Flac
 Formation: Blanco Mesaverde/Basin Dakota
 KB Elev (est) 6021
 GL Elev. (est) 6007

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	200	13.5	9.625	ST&C	Surface	NA	
Intermediate	4418	8.75	7	ST&C	Surface	NA	
Production -	7247	6.25	4.5	ST&C	4318	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		9.625	32 H-40	2270	1400	254	0.0787	8.845
Intermediate		7	20 K-55	3740	2270	234	0.0405	6.456
Production -		4.5	11.6 J-55	5350	4960	154	0.0155	3.875

Mud Program

Apx. Interval (ft.)	Mud Type	Mud Weight	Recommended Mud Properties Prio Cementing:
0 - SCP	Water/Spud	8.6-9.2	PV <20 YP <10 Fluid Los: <15
SCP - ICP	Water/LSND	8.6-9.2	
ICP - ICP2	Gas/Air Mist	NA	
ICP2 - TD	LSND	8.6 - 9.2	

Cementing Program:

	Surface	Intermediate	Production
Excess %, Lead	100	75	40
Excess %, Tail	NA	0	40
BHST (est deg. F)	75	120	183
Special Instructions	1,6,7	1,6,8	2,4,6

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 minimize drillout.

Surface:

Preflush 20 bbl. FreshWater
 Slurry 1 154 sx Class C Cement 195 cuft
 TOC@Surface + 2% CaCl2 (accelerator)
 0.4887 cuft/ft OH

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, as needed
 1 Stop Ring
 1 Thread Lock Compound

Cementing Program

Intermediate:

Fresh Water	20 bbl	fresh water	
Lead		335 sx Class "G" Cement	881 cuft
Slurry 1		+ 3% D79 extender	
TOC@Surface		+1/4 #/sk. Cellophane Flake	
		+ 5 lb/sk Gilsonite	
Tail		118 sx 50/50 Class "G"/Poz	150 cuft
Slurry 2		+ 2% gel (extender)	
	1000 ft fill	+1/4 #/sk. Cellophane Flake	0.1503 cuft/ft OH
		+ 2% CaCl ₂ (accelerator)	0.1746 cuft/ft csg ann
		+ 5 lb/sk Gilsonite	

Slurry Properties:	Density	Yield	Water
	(lb/gal)	(ft ³ /sk)	(gal/sk)
Slurry 1	11.4	2.63	15.8
Slurry 2	13.5	1.27	5.72

- Casing Equipment:**
- 7", 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 as needed
 - 1 Top Rubber Plug
 - 1 Thread Lock Compound

Production:

Fresh Water	10 bbl	CW100	
Lead		101 LiteCrete D961 / D124 / D154	255 cuft
Slurry 1		+ 0.03 gps D47 antifoam	
TOC, 400' above 7" shoe		+ 0.5% D112 fluid loss	
		+ 0.11% D65 TIC	
Tail		150 sx 50/50 Class "G"/Poz	216 cuft
Slurry 2		+ 5% D20 gel (extender)	
	1507 ft fill	+ 0.1% D46 antifoam	
		+ 1/4 #/sk. Cellophane Flake	
		+ 0.25% D167 Fluid Loss	
		+ 5 lb/sk Gilsonite	
		+0.1% d800, retarder	
		+0.15% D65, dispersant	

0.1026 cuft/ft OH

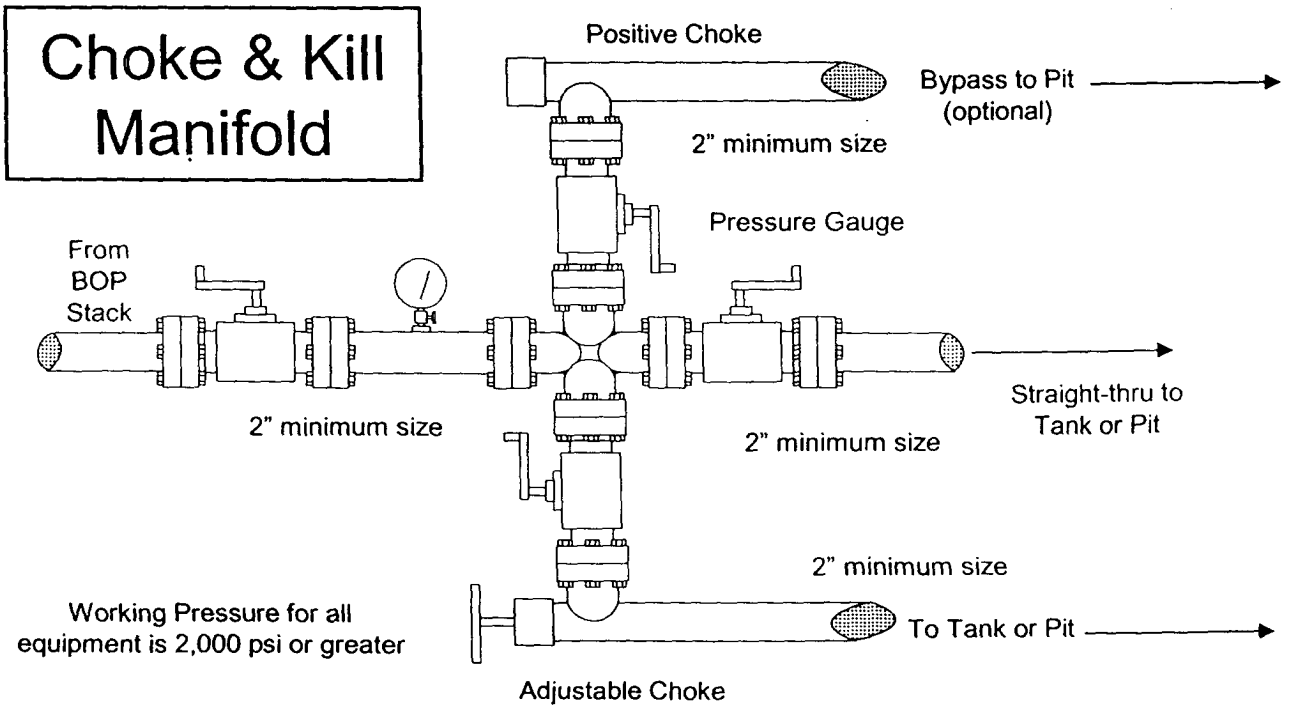
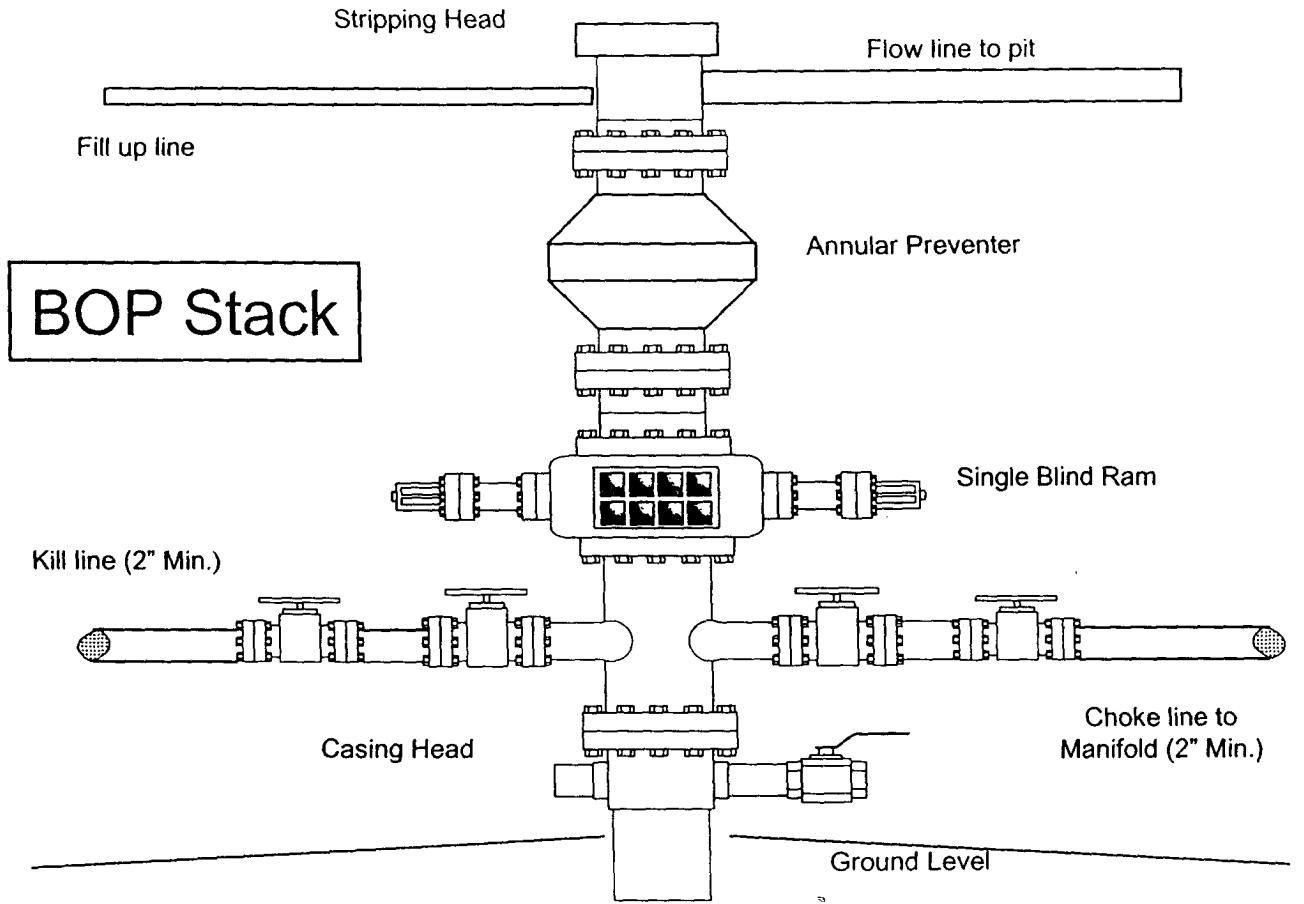
Slurry Properties:	Density	Yield	Water
	(lb/gal)	(ft ³ /sk)	(gal/sk)
Slurry 1	9.5	2.52	6.38
Slurry 2	13	1.44	6.5

Top of Mancos
5240

- 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, as needed
 - 1 Top Rubber Plug
 - 1 Thread Lock Compound

BP American Production Company

Well Control Equipment Schematic



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANGEMENT

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.

SF - 078120

6. If Indian, Allottee or tribe Name

2005 MAR 13 PM 12 31

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

8. Well Name and No.

Elliott a LS 1M

1. Type of Well

Oil Well Gas Well Other

9. API Well No.

New Well 30045 33612

2. Name of Operator

BP AMERICA PRODUCTION COMPANY

3a. Address

PO BOX 3092 HOUSTON, TX 77253

3b. Phone No. (include area code)

281-366-4081

10. Field and Pool, or Exploratory Area

BASIN DAKOTA & BLANCO MESAVERDE

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

2050' FSL & 1200' FWL; SEC 19 31N 11W NWSW Mer NMP

11. County or Parish, State

SAN JUAN, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

Acidize Deepen Production (Start/Resume) Water shut-Off
 Alter Casing Fracture Treat Reclamation Well Integrity
 Casing Repair New Construction Recomplete Other Grade/Weight 7" CSG
 Change Plans Plug and Abandon Water Disposal
 Convert to Injection Plug Back

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 recompleate 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 recompleation 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.

This sundry notice is submitted to clarify weight & grade of 7" Casing. Above 4000' casing is J/K-55 ST&C 20# Casing. Below 4000' 7" Casing is N-80 23#.

14. I hereby certify that the foregoing is true and correct
Name (Printed/typed)

Cherry Hlava

Title Regulatory Analyst (281) 366-4081

Signature

Cherry Hlava

Date 03/06/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

D. Mankiey

Title

AFM

Date

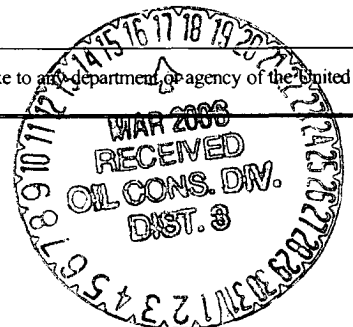
3/16/06

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

FPO

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
Elliott A LS 1M
APD

BP America Production Company respectfully requests permission to drill the subject well to a total depth of approximately 7247'. Complete in the Basin Dakota Pool, isolate the Dakota; complete into the Blanco Mesaverde, establish a production rate; drill out the bridge plug and commingle production downhole.

Application for Downhole Commingling authority (NMOCD order R-11363) will be submitted to all appropriate for approval after Permit to Drill has been approved.

If terrain allows it is our intent to pre-set the 9 5/8" casing on the above mentioned well by drilling a surface hole of 12 1/4" (instead of 13 1/2") with air/air mist in lieu of drilling mud and the surface casing be cemented with 94.5 cu/ft type I-II, 20% FLYASH, 14.5 PPG, 7.41 gal/sk, 1.61 cf/sk Yield, 80 DEG BHST ready mix cement. If the area will not allow for pre-set the approved cement & drilling program will be followed.

SUPPLEMENTAL TO SURFACE USE PLAN

New Facilities:

A 4.5" diameter buried steel pipeline that is +/- 100 feet in length will be constructed. The pipe wall thickness is .156 and the pipe wall strength is 42,000#. It will be adjacent to the access road and tie the well into an existing gas meter operated by BP America Production Company. The pipeline will not be used to transport gas to drill the well. After the well is spud the pipeline will be authorized by a right-of-way issued by El Paso Field Services.

APD/ROW

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

Background

The objective Dakota 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 single 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", 2000 psi Single ram preventer with 3000 psi annular preventer and rotating head.

All ram type and annular preventers as well as related control equipment will be hydraulically tested to 250 psi (low pressure) and 1500 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.



Scientific Drilling
Directional Drilling Operations

Field: SAN JUAN, New Mexico
Site: SEC 19-T31N-R11W
Well: Elliot A LS #1M
Wellpath: OH
Plan: Plan #1



bp

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	
3	554.86	7.65	253.30	554.10	-4.88	-16.26	3.00	253.30	16.98	
4	4031.67	7.65	253.30	4000.00	-137.81	-459.33	0.00	0.00	479.56	CLIFF HOUSE
5	4418.66	3.78	253.30	4385.00	-148.87	-496.21	1.00	180.00	518.06	7" CSG.
6	4544.52	0.00	0.00	4510.77	-150.06	-500.18	3.00	180.00	522.20	PBHL
7	7246.75	0.00	0.00	7213.00	-150.06	-500.18	0.00	0.00	522.20	PBHL

TARGET DETAILS

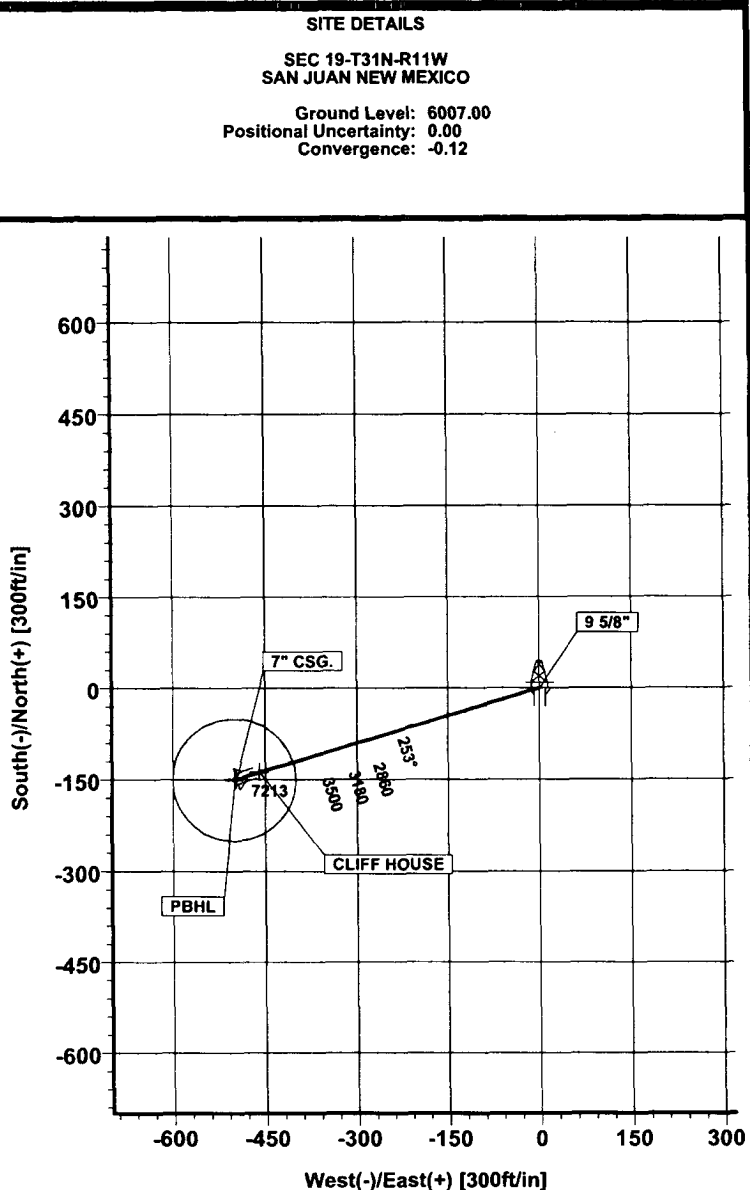
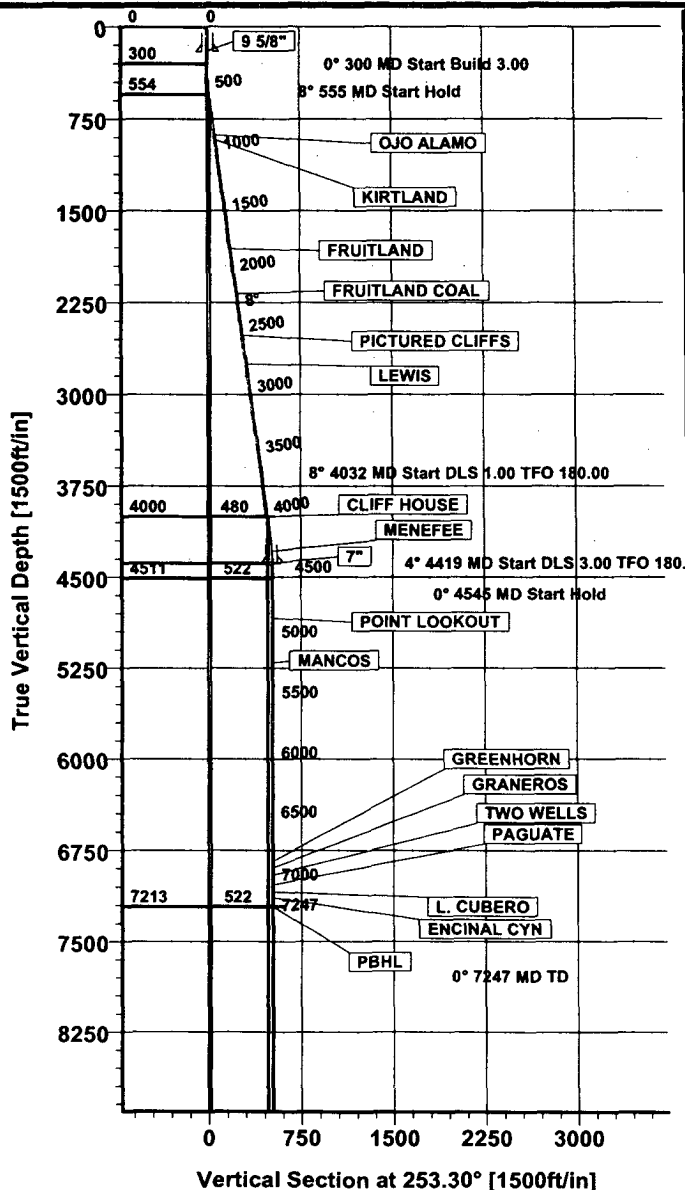
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
CLIFF HOUSE	4000.00	-137.80	-459.30	2140690.76	2663392.72	Point
7" CSG.	4385.00	-148.80	-496.20	2140679.76	2663355.82	Point
PBHL	7213.00	-150.00	-500.00	2140678.56	2663352.02	Circle (Radius: 100)

WELL DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
Elliot A LS #1M	0.00	0.00	2140828.55	2663851.98	36°52'59.039N	108°02'09.282W	N/A

SITE DETAILS

SEC 19-T31N-R11W
SAN JUAN NEW MEXICO
Ground Level: 6007.00
Positional Uncertainty: 0.00
Convergence: -0.12





Scientific Drilling Planning Report



Company: BP Field: SAN JUAN, New Mexico Site: SEC 19-T31N-R11W Well: Elliot A LS #1M Wellpath: OH	Date: 11/30/2005 Co-ordinate(NE) Reference: Well: Elliot A LS #1M, Grid North Vertical (TVD) Reference: SITE 6021.0 Section (VS) Reference: Well (0.00N,0.00E,253.30Azi) Plan: Plan #1	Time: 12:38:11 Page: 1
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Field: SAN JUAN, New Mexico SAN JUAN COUNTY, NEW MEXICO USA Map System: US State Plane Coordinate System 1983 Geo Datum: GRS 1980 Sys Datum: Mean Sea Level	Map Zone: New Mexico, Western Zone Coordinate System: Well Centre Geomagnetic Model: bggm2005
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Site: SEC 19-T31N-R11W

SAN JUAN NEW MEXICO

Site Position: From: Lease Line Position Uncertainty: 0.00 ft Ground Level: 6007.00 ft	Northing: ft Easting: ft	Latitude: Longitude: North Reference: Grid Grid Convergence: -0.12 deg
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Well: Elliot A LS #1M Well Position: +N/-S 0.00 ft Northing: 2140828.55 ft +E/-W 0.00 ft Easting: 2663851.98 ft Position Uncertainty: 0.00 ft	Slot Name: Latitude: 36 52 59.039 N Longitude: 108 2 9.282 W
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Wellpath: OH Current Datum: SITE Magnetic Data: 11/30/2005 Field Strength: 51399 nT Vertical Section: Depth From (TVD) ft	Drilled From: Surface Tie-on Depth: 0.00 ft Above System Datum: Mean Sea Level Declination: 10.74 deg Mag Dip Angle: 63.70 deg +N/-S ft +E/-W ft Direction deg
0.00	0.00

Plan: Plan #1 Principal: Yes	Date Composed: 11/30/2005 Version: 8 Tied-to: From Surface
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Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
554.86	7.65	253.30	554.10	-4.88	-16.26	3.00	3.00	0.00	253.30	
4031.67	7.65	253.30	4000.00	-137.81	-459.33	0.00	0.00	0.00	0.00	CLIFF HOUSE
4418.66	3.78	253.30	4385.00	-148.87	-496.21	1.00	-1.00	0.00	180.00	7" CSG.
4544.52	0.00	0.00	4510.77	-150.06	-500.18	3.00	-3.00	84.78	180.00	
7246.75	0.00	0.00	7213.00	-150.06	-500.18	0.00	0.00	0.00	0.00	PBHL

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Section 2 : Start Build 3.00

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
400.00	3.00	253.30	399.95	-0.75	-2.51	2.62	3.00	3.00	0.00	0.00
500.00	6.00	253.30	499.63	-3.01	-10.02	10.46	3.00	3.00	0.00	0.00
554.86	7.65	253.30	554.10	-4.88	-16.26	16.98	3.00	3.00	0.00	0.00