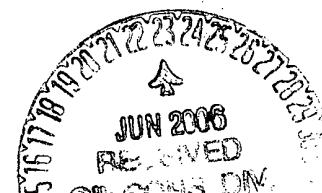


District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

Form C-101
Permit 32232

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address BP AMERICA PRODUCTION COMPANY PO BOX 22048 TULSA, OK 74121		2. OGRID Number 778 3. API Number 30-045-33817
4. Property Code 773	5. Property Name KOCH LS	6. Well No. 001M

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	3	30N	10W	5	815	N	970	E	SAN JUAN

8. Pool Information

BASIN DAKOTA (PRORATED GAS)	71599
BLANCO-MESAVERDE (PRORATED GAS)	72319

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 6296
14. Multiple Y	15. Proposed Depth 7783	16. Formation Dakota Formation	17. Contractor	18. Spud Date 7/25/2006
Depth to Ground water 100		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 3000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	13.5	9.625	32	200	154	0
Int1	8.75	7	20	3468	349	0
Prod	6.25	4.5	11.6	7783	339	3318

Casing/Cement Program: Additional Comments

If terrain allows it is our intent to pre-set the 9 5/8" csg by drilling a surface hole of 12 1/4" (instead of 13.5") with air/air mist in lieu of drilling mud & the surface csg 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 program will be followed.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Printed Name: Cherry Hlava Cherry Hlava
Title: Regulatory Analyst
Email Address: hlava.c@BP.com
Date: 6-22-06 Phone: 281-366-4081

OIL CONSERVATION DIVISION

Approved By: [Signature]
Title: DEPUTY OIL & GAS INSPECTOR, DIST. III
Approved Date: JUN 24 2006 Expiration Date:

Conditions of Approval Attached

HOLD C101 FOR Directional Survey
BHL Federal coal only

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
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 32232**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-33817	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 773	5. Property Name KOCH LS	6. Well No. 001M
7. OGRID No. 778	8. Operator Name BP AMERICA PRODUCTION COMPANY	9. Elevation 6296

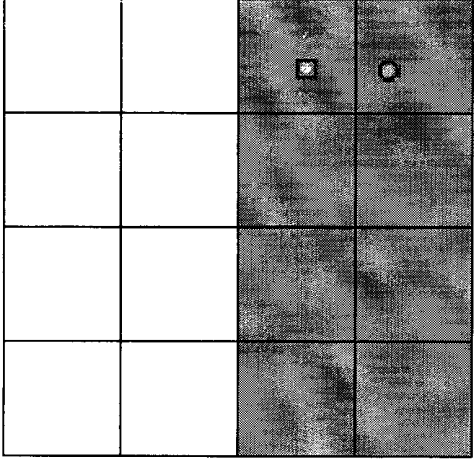
10. Surface Location

UL - Lot 5	Section 3	Township 30N	Range 10W	Lot Idn 5	Feet From 815	N/S Line N	Feet From 970	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot 2	Section 3	Township 30N	Range 10W	Lot Idn 2	Feet From 800	N/S Line N	Feet From 1900	E/W Line E	County SAN JUAN
12. Dedicated Acres 327.76		13. Joint or Infill		14. Consolidation Code		15. 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 style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: <i>Cherry Hlava</i> Title: <i>Regulatory Analyst</i> Date: <i>6-29-06</i></p>
	<p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Gary Vann Date of Survey: 4/25/2006 Certificate Number: 7016</p>

District I

1625 N. French Dr., Hobbs, NM 88240

District II

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State of New Mexico

Form C-102
Permit 32232

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33817	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 773	5. Property Name KOCH LS	6. Well No. 001M
7. OGRID No. 778	8. Operator Name BP AMERICA PRODUCTION COMPANY	9. Elevation 6296

10. Surface Location

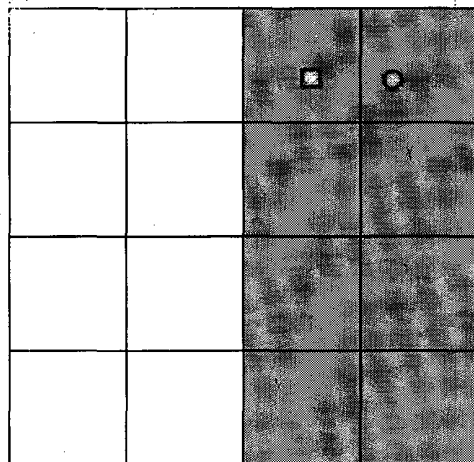
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
5	3	30N	10W	5	815	N	970	E	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
2	3	30N	10W	2	800	N	1900	E	SAN JUAN

12. Dedicated Acres 327.76	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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: *Cherry Hlava*
Title: *Regulatory Analyst*
Date: *6-29-06*

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.

Surveyed By: Gary Vann
Date of Survey: 4/25/2006
Certificate Number: 7016

Permit Comments

Operator: BP AMERICA PRODUCTION COMPANY , 778

Well: KOCH LS #001M

API:

Created By	Comment	Comment Date
CHLAVA	Pit location +/- 815' FNL & 970' FEL. Drilling/Workover Pit construction Plan issue date of 11/17/04.	6/14/2006
SHAYDEN	According to the NM State ONGARD system and the BLM land and mineral status maps, this location is on Federal minerals. Please submit the permit application through the BLM.	6/15/2006
CHLAVA	Above mentioned well is Fee minerals.	6/22/2006

HA BHL is Fed. coal only.