

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF - 078499
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" 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.
Contact: MARY CORLEY E-Mail: corleyml@bp.com		8. Lease Name and Well No. RUSSELL COM 1M
3a. Address P.O. BOX 3092 HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 281.366.4491 Fx: 281.366.0700	9. API Well No. 30045 31721
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW Lot F 2470FNL 1390FWL 36.38800 N Lat, 107.39300 W Lon At proposed prod. zone		10. Field and Pool, or Exploratory BASIN DAKOTA/BLANCO MESAVERDE
14. Distance in miles and direction from nearest town or post office* 28 MILES TO BLOOMFIELD, NEW MEXICO		11. Sec., T., R., M., or Blk. and Survey or Area F Sec 23 T28N R8W Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1390	16. No. of Acres in Lease 320.00	12. County or Parish SAN JUAN
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1300	19. Proposed Depth 7333 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6329 GL	22. Approximate date work will start 08/29/2003	14. Spacing Unit dedicated to this well 320.00 W/2
23. Estimated duration 7 DAYS		15. BLM/BIA Bond No. on file WY2924

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 06/09/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) /s/ David J. Mankiewicz	Name (Printed/Typed)	Date AUG - 4 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 #22972 verified by the BLM Well Information System
For BP AMERICA PRODUCTION COMPANY, sent to the Farmington

This action is subject to technical and procedural review pursuant to 43 CFR 3165.6 and appeal pursuant to 43 CFR 3165.4

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

** 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 30-045-31721		² Pool Code 715999 72319		³ Pool Name BASIN DAKOTA & BLANCO MESAVERDE	
⁴ Property Code 000 999		⁵ Property Name Russell Com			⁶ Well Number # 1M
⁷ OGRID No. 000 778		⁸ Operator Name BP AMERICA PRODUCTION COMPANY			⁹ Elevation 6329

¹⁰ Surface Location

UL or Lot No. F	Section 23	Township 28 N	Range 8 W	Lot Idn	Feet from the 2470	North/South line NORTH	Feet from the 1390	East/West line WEST	County SAN JUAN
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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 320	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

	<p>¹⁷ OPERATOR CERTIFICATION</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>Mary Corley</i> Signature MARY CORLEY Printed Name Sr Regulatory Analyst Title 05-28-2003 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</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>April 29, 2003 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p> 7016 Certificate Number</p>

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

Prospect Name: Russell Gas Com
Lease: Russell
County: San Juan
State: New Mexico
Date: May 20, 2003

Well No: 1M
Surface Location: 23-28N-8W, 2470 FNL, 1390 FWL
Field: Blanco Mesaverde/Basin Dakota

OBJECTIVE: Drill 240' below the top of the Two Wells (DKOT), set 4.5" production casing across Dakota, Stimulate CH, MF, PL and DK intervals							
METHOD OF DRILLING				APPROXIMATE DEPTHS OF GEOLOGICAL MARKER			
TYPE OF TOOLS		DEPTH OF DRILLING		Estimated GL: 6329		Estimated KB: 6343	
Rotary		0 - TD					
LOG PROGRAM							
TYPE		DEPTH INTERVAL		MARKER		SUBSEA	
<u>OPEN HOLE</u>						MEAS. DEPTH	
none							
<u>CASED HOLE</u>							
GR-CCL-TDT		TDT - TD to 7" shoe					
CBL		Identify 4.5" cement top					
REMARKS: - Please report any flares (magnitude & duration).				Ojo Alamo		4464'	
				Kirtland Shale		4360'	
				Fruitland		4042'	
				Fruitland Coal		* 3767'	
				Pictured Cliffs		* 3504'	
				Lewis Shale		# 3389'	
				Cliff House		# 2004'	
				Menefee Shale		# 1773'	
				Point Lookout		# 1305'	
				Mancos		886'	
				Greenhorn		-636'	
				Bentonite Marker		-692'	
				Two Wells		# -750'	
				Paguete		# -838'	
				Cubero		# -880'	
Lower Cubero		# -911'					
Encinal Canyon		# -942'					
		TOTAL DEPTH				7333'	
				# Probable completion interval		* Possible Pay	
SPECIAL TESTS				DRILL CUTTING SAMPLES		DRILLING TIME	
TYPE				FREQUENCY DEPTH		FREQUENCY DEPTH	
None				none Production hole		Geograph 0-TD	
REMARKS:							
MUD PROGRAM:							
Approx. Interval		Type Mud	Weight, #/gal	Vis, sec/qt	W/L cc's/30 min	Other Specification	
0 - 200		Spud	8.6-9.2				
200 - 3054 (1)		Water/LSND	8.6-9.2				
3054 - 7333		Gas/Air/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	200	9 5/8"	H-40 ST&C	32#	13.5"	1	
Intermediate	3054	7"	J/K-55 ST&C	20#	8.75"	1,2	
Production	7333	4 1/2"	J-55	11.6#	6.25"	3	
REMARKS:							
(1) Circulate Cement to Surface							
(2) Set casing 100' into Lewis Shale							
(3) Bring cement 100' above 7" shoe							
CORING PROGRAM:							
None							
COMPLETION PROGRAM:							
Rigless, 3-4 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:			
				May 20, 2003			
KAS/MNP/JMP				Version 1.0			
Form 46 12-00 MNP							

BP America Production Company

BOP Pressure Testing Requirements

Well Name: Russell Gas Com
County: San Juan

1M
State: New Mexico

Formation	TVD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	1879		
Fruitland Coal	2576		
PC	2839		
Lewis Shale	2954		
Cliff House	4339	500	0
Menefee Shale	4570		
Point Lookout	5038	600	0
Mancos	5457		
Dakota	7093	2600	1500

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

Requested BOP Pressure Test Exception: 1500 psi

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 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.