Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION OFOR PERMIT TO DRILL OR REENETER

RECEIVED
AUG 2003
070 Farmington, NM

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

5. Lease Serial No. **SF - 080247**

6. If Indian, Allottee or tribe Name

7. If Unit or CA Agreement, Name and No

1a. Type of Work: [X] DRILL [ ] REENTER

1b. Type of Well: [ ] Oil Well [X] Gas Well Gas [ ] Other [ ] Single Zone [ ] Multiple Zone

8. Lease Name and Well No.
Florance 26B

2. Name of Operator
BP America Production Company Attn: Mary Corley

9. API Well No.
30045 31780

3a. Address
P.O. Box 3092 Houston, Texas 77253

3b. Phone No. *(include area code)*
281-366-4491

10. Field and Pool, or Exploratory
Blanco Mesaverde

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

At surface **2585' FSL & 1840' FWL**

At proposed prod. Zone

11. Sec., T., R., M., or Blk, and survey or Area
K **Sec. 25, T29N, R09W**

14. Distance in miles and direction from nearest town or post office*

12. County or Parish
San Juan

13. State
New Mexico

15. Distance from proposed* Location to nearest Property or lease line, ft. (Also to nearest drig. Ujnit line, if any) **800'**

16. No. of Acres in lease
299.24

17. Spacing Unit dedicated to this well
299.24 W/2

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **1600'**

19. Proposed Depth
5089'

20. BLM/BIA Bond No. on file
WY2924

21. Elevations (show whether DF, KDB., RT, GL, etc.
6025' GL

22. Approximate date work will start*
September 01, 2003

23. Estimated duration
7 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 suthorized officer.

25. Signature: Mary Corley — Name *(Printed/typed)*: **Mary Corley** — Date: **07/08/2003**

Title: **Senior Regulatory Analyst**

Approved by (Signature): **/s/ David J. Mankiewicz** — Name *(Printed/Typed)* — Date AUG 15 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.

**(Instructions on reverse)*

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

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
30-045-31780	72319	Blanco Mesaverde

[4] Property Code	[5] Property Name	[6] Well Number
000518	Florance	# 26B

[7] OGRID No.	[8] Operator Name	[9] Elevation
000778	BP AMERICA PRODUCTION COMPANY	6025

[10] Surface Location

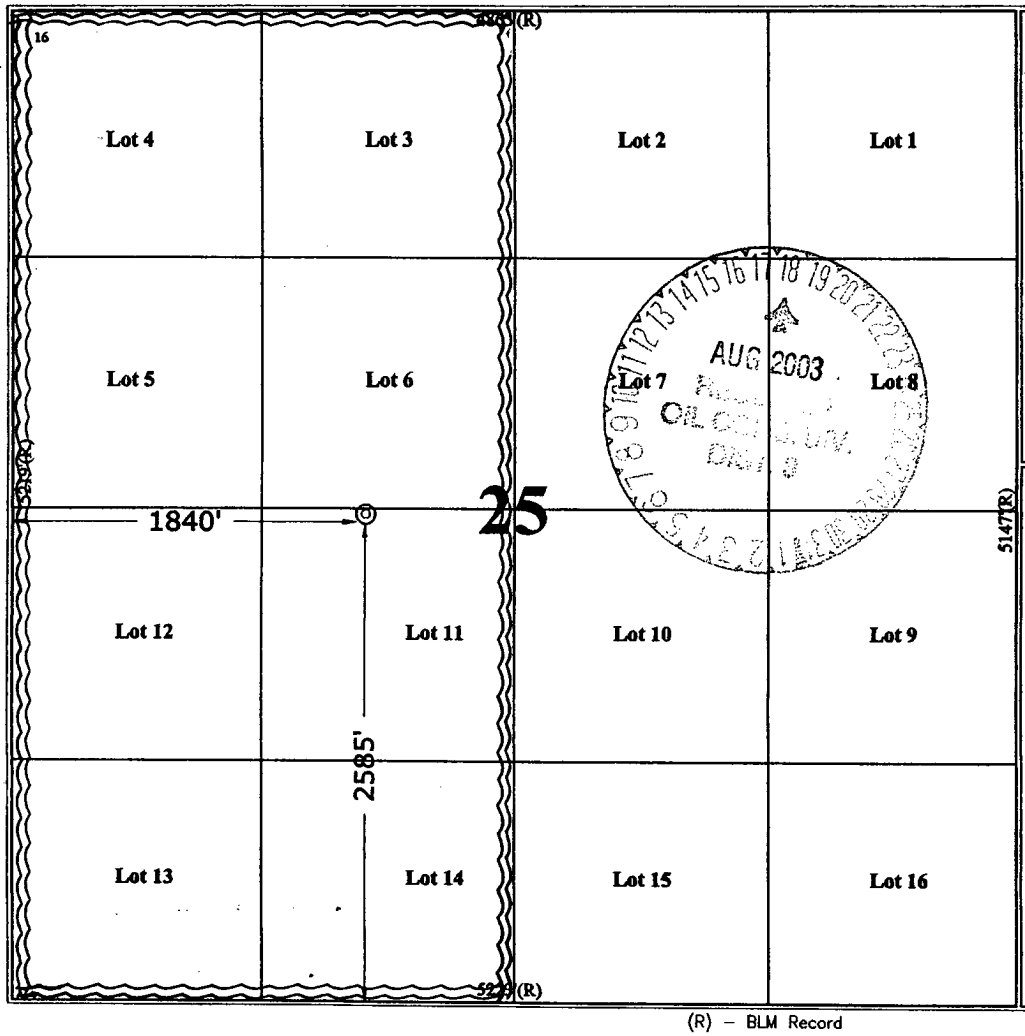
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K (Lot 11)	25	29 N	9 W		2585	SOUTH	1840	WEST	SAN JUAN

[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.
299.24			

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: Mary Corley

Printed Name: Mary Corley

Title: Sr. Regulatory Analyst

Date: 07-08-2003

[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.

June 9, 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: Florance
Lease: Florance
County: San Juan
State: New Mexico
Date: June 18, 2003

Well No: 26 B
Surface Location: 25-29N-9W, 2585 FSL, 1840 FWL
Field: Blanco Mesaverde

OBJECTIVE: Drill 400' below the top of the Point Lookout Sandstone, set 4 1/2" production liner, Stimulate CH, MF and PL intervals

METHOD OF DRILLING

TYPE OF TOOLS	DEPTH OF DRILLING
Rotary	0 - TD

LOG PROGRAM

TYPE	DEPTH INVERAL
OPEN HOLE	
None	
CASED HOLE	
GR-CCL-TDT	TDT – TD to 7" shoe

REMARKS:
- Please report any flares (magnitude & duration).

APPROXIMATE DEPTHS OF GEOLOGICAL MARKER

Estimated GL: 6025' Estimated KB: 6039'

MARKER		SUBSEA	TVD
Ojo Alamo		4578	1461
Kirtland		4472	1567
Fruitland		4025	2014
Fruitland Coal	*	3767	2272
Pictured Cliffs	*	3556	2483
Lewis	*	3391	2648
Cliff House	#	2021	4018
Menefee	#	1806	4233
Point Lookout	#	1350	4689
Mancos		1033	5006
TOTAL DEPTH		950	5089

Probable completion interval * Possible Pay

SPECIAL TESTS

TYPE
None

REMARKS:

DRILL CUTTING SAMPLES

FREQUENCY	DEPTH
None	Production hole

DRILLING TIME

FREQUENCY	DEPTH
Geolograph	0-TD

MUD PROGRAM:

Approx. Interval			Type Mud	Weight, #/gal	Vis, sec/qt	W/L cc's/30 min	Other Specification
0	- 120		Spud	8.6-9.2			
120	- 2222	(1)	Water/LSND	8.6-9.2		<6	
2222	- 5089		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 Contract)

Casing String	Estimated Depth	Casing Size	Grade	Weight	Hole Size	Landing Pt, Cmt, Etc.
Surface/Conductor	120	9 5/8"	H-40 ST&C	32#	13.5"	1
Intermediate 1	2222	7"	J/K-55 ST&C	20#	8.75"	1,2
Production	5089	4 1/2"	J-55	10.5#	6.25"	3,4

REMARKS:
(1) Circulate Cement to Surface
(2) Set casing 50' above Fruitland Coal
(3) Bring cement 100' above 7" shoe
(4) 100' Overlap

CORING PROGRAM:
None

COMPLETION PROGRAM:
Rigless, 2-3 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:	
HGJ/MNP/JMP		June 18, 2003 Version 1.0	

Form 46 12-00 MNP

BP America Production Company
BOP Pressure Testing Requirements

Well Name: Florance 26 B
County: San Juan **State:** New Mexico

Formation	Estimated TVD/MD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	1461		
Fruitland Coal	2272		
PC	2483		
Lewis Shale	2648		
Cliff House	4018	500	0
Menefee Shale	4233		
Point Lookout	4689	600	0
Mancos	5006		
Dakota	-		

** Note: Determined using the following formula: ABHP – (.22*TVD) = ASP

Requested BOP Pressure Test Exception: 750 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.

Cementing Program

Well Name:	Florance 26B	Field:	Blanco Mesaverde
Location:	25-29N-9W, 2585 FSL, 1840 FWL	API No.	
County:	San Juan	Well Flac	
State:	New Mexico	Formation:	MesaVerde
		KB Elev (est)	6039
		GL Elev. (est)	6025

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	120	12.25	9.625	ST&C	Surface	NA	
Intermediate	2222	8.75	7	LT&C	Surface	NA	
Production -	5089	6.25	4.5		2122	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	3370	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
0 - SCP	Water/Spud	8.6-9.2
SCP - ICP	Water/LSND	8.6-9.2
ICP - ICP2	Gas/Air Mist	NA
ICP2 - TD	LSND	8.6 - 9.2

Recommended Mud Properties Prio Cementing:

PV	<20
YP	<10
Fluid Los:	<15

Cementing Program:

	Surface	Intermediate	Production
Excess %, Lead	100	100	40
Excess %, Tail	NA	0	40
BHST (est deg. F)	72	110	159
Time Between Stages, (hr)	NA	NA	NA
Special Instructions	1,6	1,6	2,6

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 minmize drillout.

Surface:

	Preflush	20 bbl.	FreshWater	
	Slurry 1	70 sx Class G Cement		75 cuft
	TOC@Surface	+ 2% CaCl2 (accelerator)		
		0.25 #/sk Cellophane Flake (lost circulation additive)		0.3132 cuft/ft OH
		0.1% D46 antifoam		100 % excess

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	15.8	1.16	4.95

Casing Equipment:

9-5/8", 8R, ST&C
1 Guide Shoe
1 Top Wooden Plug
1 Autofill insert float valve
Centralizers, 1 per joint except top joint

Cementing Program

1 Stop Ring
1 Thread Lock Compound

Intermediate:

Fresh Water	20 bbl	fresh water		
Lead	200	sx Class "G" Cement	503	cuft
Slurry 1		+ 3% D79 extender		
TOC@Surface		+1/4 #/sk. Cellophane Flake		
		+ 0.1% D46 antifoam'		
	60	sx 50/50 Class "G"/Poz		
Tail		+ 2% gel (extender)	75	cuft
Slurry 2		0.1% D46 antifoam		
500 ft fill		+1/4 #/sk. Cellophane Flake	0.1503	cuft/ft OH
		+ 2% S1 Calcium Chloride	0.1746	cuft/ft csg ann
			80	% excess

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	11.7	2.61	17.77
Slurry 2	13.5	1.27	5.72

Casing Equipment: 7", 8R, ST&C

1 Float Shoe
1 Float Collar
1 Stop Ring
Centralizers, one every other joint to base of Ojo
2 Turbolizers across Ojo
Centalizers, one every 4th joint from Ojo to base of surface casing
1 Top Rubber Plug
1 Thread Lock Compound

Production:

Fresh Water	10 bbl	CW100		
Slurry	170	LiteCrete D961 / D124 / D154		
		+ 0.03 gps D47 antifoam	428	cuft
		+ 0.5% D112 fluid loss		
TOC@Liner Top		+ 0.11% D65 TIC		
			0.1026	cuft/ft OH
			40	% excess
			0.1169	cuft/ft csg ann

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry	9.5	2.52	6.38

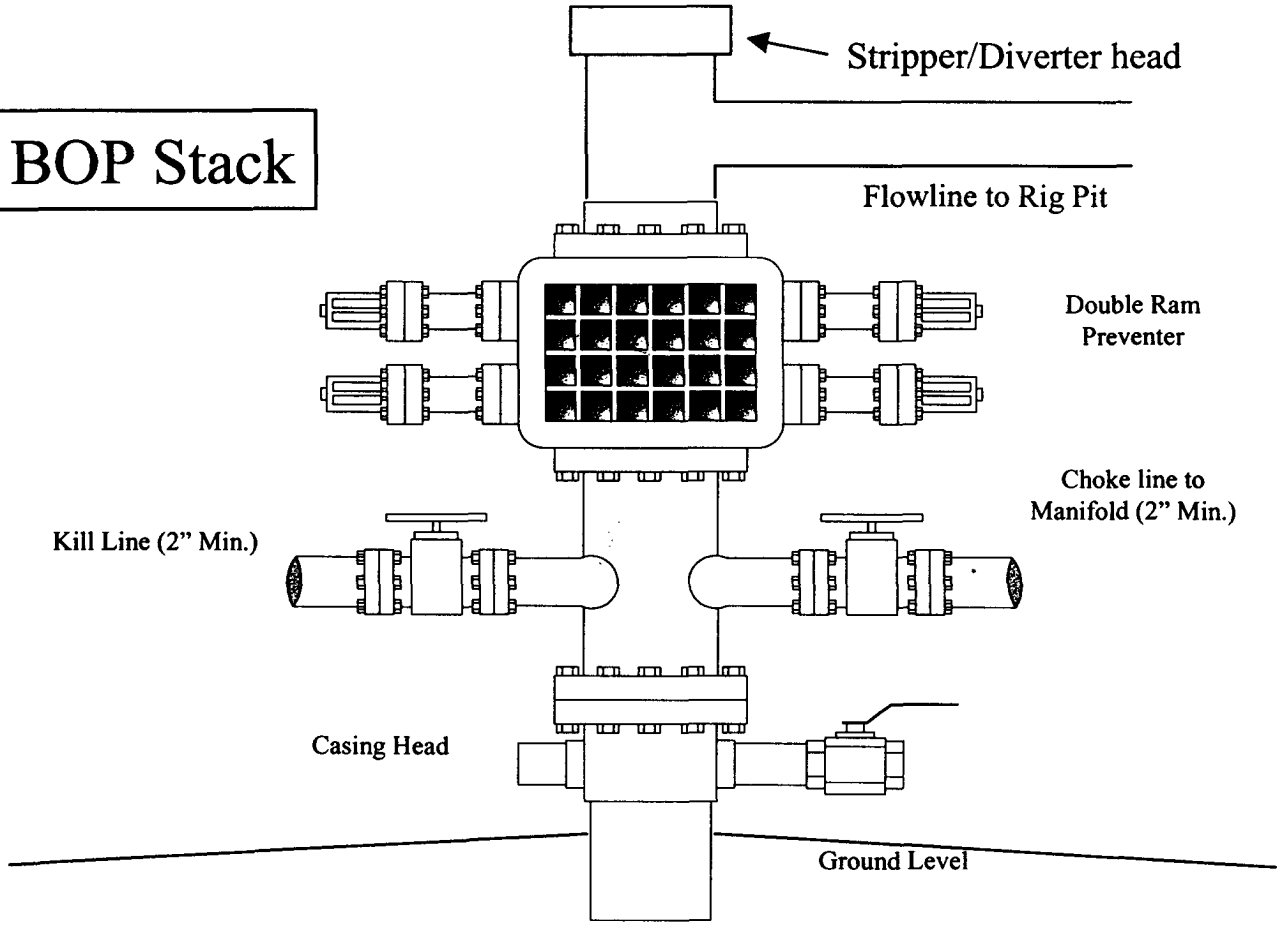
Casing Equipment: 4-1/2", 8R, ST&C

1 Float Shoe (autofill with minimal LCM in mud)
1 Float Collar (autofill with minimal LCM in mud)
1 Stop Ring
Centralizers, every 4th joint in mud drilled holes, none in air drilled holes
1 Top Rubber Plug
1 Thread Lock Compound

BP American Production Company

Well Control Equipment Schematic

BOP Stack



Choke & Kill Manifold