Form 3160-3
(August 1999)

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070 Farmington, NM

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

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

5. Lease Serial No. **SF – 079511-A**

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 I 38B

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

9. API Well No.
30 045 31842

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 **1520' FNL & 1795' FWL**

At proposed prod. Zone **1000' FNL & 1200' FWL**

11. Sec., T., R., M., or Blk, and survey or Area
F Sec. 14, T30N, R08W

14. Distance in miles and direction from nearest town or post office*
29 miles from Bloomfield, NM

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)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
845'	294.88	294.88 W/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLM/BIA Bond No. on file**
150'	6038'	WY2924
21. Elevations (show whether DF, KDB., RT, GL, etc.	**22. Approximate date work will start***	**23. Estimated duration**
6453' GL	September 15, 2003	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	Name *(Printed/typed)*	Date
Mary Corley	Mary Corley	08/11/2003

Title: **Senior Regulatory Analyst**

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
Title **/s/ David J. Mankiewicz**	Office	SEP 26 2003

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

HOLD C104 FOR Directional Survey

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
30-045-31842	72319	BLANCO MESAVERDE

[4] Property Code	[5] Property Name	[6] Well Number
000542	Florance I	# 38B

[7] OGRID No.	[8] Operator Name	[9] Elevation
000778	BP AMERICA PRODUCTION COMPANY	6453

[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
F (Lot 6)	14	30 N	8 W		1520	NORTH	1795	WEST	SAN JUAN

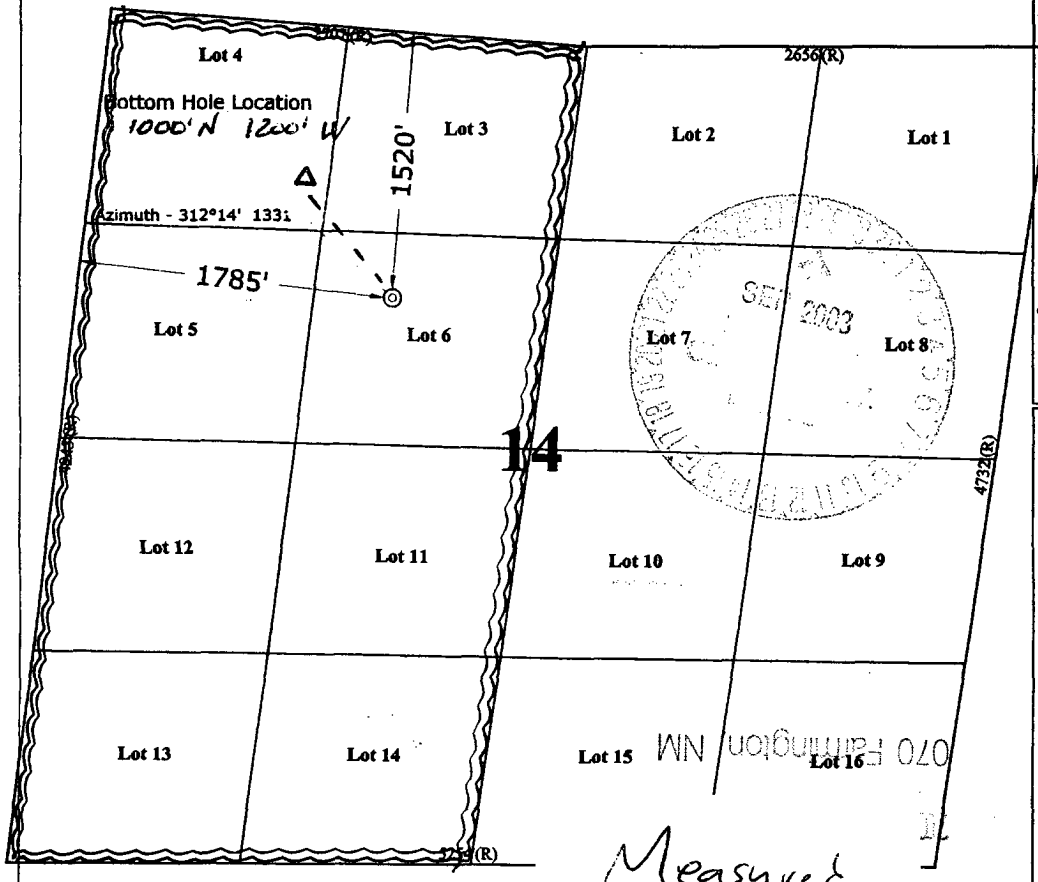
[11] Bottom Hole Location If Different From Surface

[7] UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D (Lot 4)	14	30 N	8 W		1000	NORTH	1200	WEST	SAN JUAN

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
294.88			

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

16



Measured Direction ⊥ to section lines

[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

08.11.2003

[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.

July 10, 2003

Date of Survey

Signature and Seal of Professional Surveyor

GARY D. VANN
NEW MEXICO
7016
REGISTERED PROFESSIONAL LAND SURVEYOR

7016

Certificate Number

BP AMERICA PRODUCTION COMPANY
DRILLING AND COMPLETION PROGRAM

Prospect Name: Florance I
Lease: Florance
County: San Juan
State: New Mexico
Date: August 7, 2003

Well No: 38 B
Surface Location: 14-30N-8W, 1520 FNL, 1795 FWL
BHL: 14-30N-8W, 1000 FNL, 1200 FWL
Field: Blanco Mesaverde

OBJECTIVE: Drill 400' below the top of the Point Lookout Sandstone, set 41/2" 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: 6453' Estimated KB: 6467'

MARKER		TVD	MD
Ojo Alamo		2157	2226
Kirtland		2319	2396
Fruitland		2782	2882
Fruitland Coal	*	3021	3127
Pictured Cliffs	*	3327	3436
Lewis	*	3548	3657
Cliff House	#	4867	4976
Menefee	#	5213	5322
Point Lookout	#	5529	5638
TOTAL DEPTH		5929	6038

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	- 3076	(1)	Water/LSND	8.6-9.2		<6	
3076	- 6038		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#	12.25"	1
Intermediate	3076	7"	J/K-55 ST&C	20#	8.75"	1,2
Production	6038	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		August 7, 2003 Version 1.0

Form 46 12-00 MNP

BP America Production Company
BOP Pressure Testing Requirements

Well Name: Florance I 38 B
County: San Juan **State:** New Mexico

Formation	Estimated TVD/MD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	2157		
Fruitland Coal	3021		
PC	3327		
Lewis Shale	3548		
Cliff House	4867	500	0
Menefee Shale	5213		
Point Lookout	5530	600	0
Mancos	5948		
Dakota	-	2600	1374

** 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.

FEDERAL CEMENTING REQUIREMENTS

1. All permeable zones containing fresh water and other usable water containing 10,000 PPM or less total dissolved solids will be isolated and protected from contamination by cement circulated in place for the protection of permeable zones per the NTL-FRA 90-1 Section III A.

2. The hole size will be no smaller than 1 ½" larger diameter than the casing O.D. across all water zones.

3. An adequate spacer will be pumped ahead of the cement slurry to help prevent mud contamination of the cement.

4. An adequate number of casing centralizers will be run through usable water zones to ensure that the casing is centralized through these zones. The adequate number of centralizers to use will be determined by API SPEC 10D.

5. Centralizers will impart a swirling action around the casing and will be used just below and into the base of the lowest usable water zone.

6. A chronological log will be kept recording the pump and slurry information and will be sent to the BLM with the subsequent sundry.

NEW MEXICO MULTIPOINT REQUIREMENTS

1. Existing Roads
   A. The proposed location is staked as shown on the Certified Plat.
   B. Route and distance from nearest town is identified on the form 3160-3, item #14.
   C. Access road(s) to location are identified on Exhibits A & B.
   D. Not applicable unless exploratory well.
   E. All existing roads within one-mile radius of the well site are shown on Exhibit B.
   F. Improvements and/or maintenance of existing roads may be done as deemed necessary for Amoco's operations, or as required by the surface management agency.

2. Access Roads
   A. Width: 16' Driving Surface
   B. Maximum Grades: 0 - 8%
   C. Turnouts: None
   D. Drainage will be used as required
   E. Size and location of culverts, if needed. will be determined at the onsite inspection or during construction.
   F. Surfacing materials may be applied to the proposed road and/or location if the conditions merit it.
   G. Gates and/or cattle guards will be installed at fence crossings if deemed necessary by the land owner or the surface management agency.
   H. The proposed new access road is center-line flagged if applicable.

3. Location and Existing Wells
   A - H All existing wells, to the best of our knowledge, are identified on Exhibit C (9 Section Plat).

4. Location of Existing and/or Proposed Facilities
   A. All existing facilities owned or controlled by Amoco are shown on Exhibits D & E
   B. If this proposed well is productive, Amoco will own or have control of these facilities on location: storage tanks, well head production unit, and if applicable, a pump jack and/or compressor. Also there will be buried production lines from the wellhead to the production unit and/or storage tanks. Amoco will submit a Sundry Notice when off-pad plans are finalized.
   C. Rehabilitation, whether the well is productive or not, will be made on all unused areas in accordance with surface owner or manager approval.

5. Location and Type of Water supply
   Water will be obtained from a privately permitted water source through a contract water hauling company, It will be hauled in vacuum trucks via the access road (Exhibit A). The appropriate permits for this activity have been obtained by the water transporter.

6. Source of Construction Materials
   A - D No off-site materials will be needed to build the proposed location or access road.

7. Methods of Handling Waste Disposal
   A closed loop mud system will be used during drilling operations. All drill cuttings will be trenched, and buried on location. Drilling fluids will be stored for reuse or disposed of at an approved disposal facility. A reserve pit for produced water containment will be constructed during completion operations. The reserve pit will be fenced on three sides and the 4th side will be fenced upon removal of the rig. The pit will be allowed to sit for 90 days and then pulled as required by NTL-2B. Produced water will be disposed of at an approved injection well or an evaporation site. Sanitary facilities and a steel mesh portable trash container will remain on location throughout drilling operations and will be removed to a designated disposal area. The well site will be properly cleaned upon removal of the rig.