Form 3160-3
(August 1999)

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

5. Lease Serial No.
NMSF - 078390

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

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

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

8. Lease Name and Well No.
PRICE 1M

2. Name of Operator
BP AMERICA PRODUCTION COMPANY
Contact: MARY CORLEY
E-Mail: corleyml@bp.com

9. API Well No.
30045 31968

3a. Address
P.O. BOX 3092
HOUSTON, TX 77253

3b. Phone No. (include area code)
Ph: 281.366.4491
Fx: 281.366.0700

10. Field and Pool, or Exploratory
BASIN DAKOTA/BLANCO MESAVER

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

At surface SWNW Lot E Tract E ~~2255FNL~~ 2485 FSL ~~760~~ 180 FWL 36.39800 N Lat, 107.38300 W Lon

At proposed prod. zone

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 13 T28N R8W Mer NMP
L

14. Distance in miles and direction from nearest town or post office*
26.5 MILES FROM BLOOMFIELD, NEW MEXICO

12. County or Parish
SAN JUAN

13. State
NM

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
760

16. No. of Acres in Lease
320.00

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

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
1141

19. Proposed Depth
7422 MD

20. BLM/BIA Bond No. on file
WY2924

21. Elevations (Show whether DF, KB, RT, GL, etc.
~~6344~~ GL
6329

22. Approximate date work will start
01/10/2004

23. Estimated duration
7 DAYS

FEB 2004
RECEIVED
OIL CONS. DIV.
DIST. 3

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	Name (Printed/Typed)	Date
(Electronic Submission)	MARY CORLEY	10/21/2003

Title
AUTHORIZED REPRESENTATIVE

Approved by (Signature)	Name (Printed/Typed)	Date
/s/ David J. Mankiewicz		JAN 30 2004
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 #24421 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 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE 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	2 Pool Code	3 Pool Name
30-045-31968	72319 & 71599	BLANCO MESAVERDE & BASIN DAKOTA

4 Property Code	5 Property Name	6 Well Number
000957	Price	# 1M

7 OGRID No.	8 Operator Name	9 Elevation
000778	BP AMERICA PRODUCTION COMPANY	6329

10 Surface Location

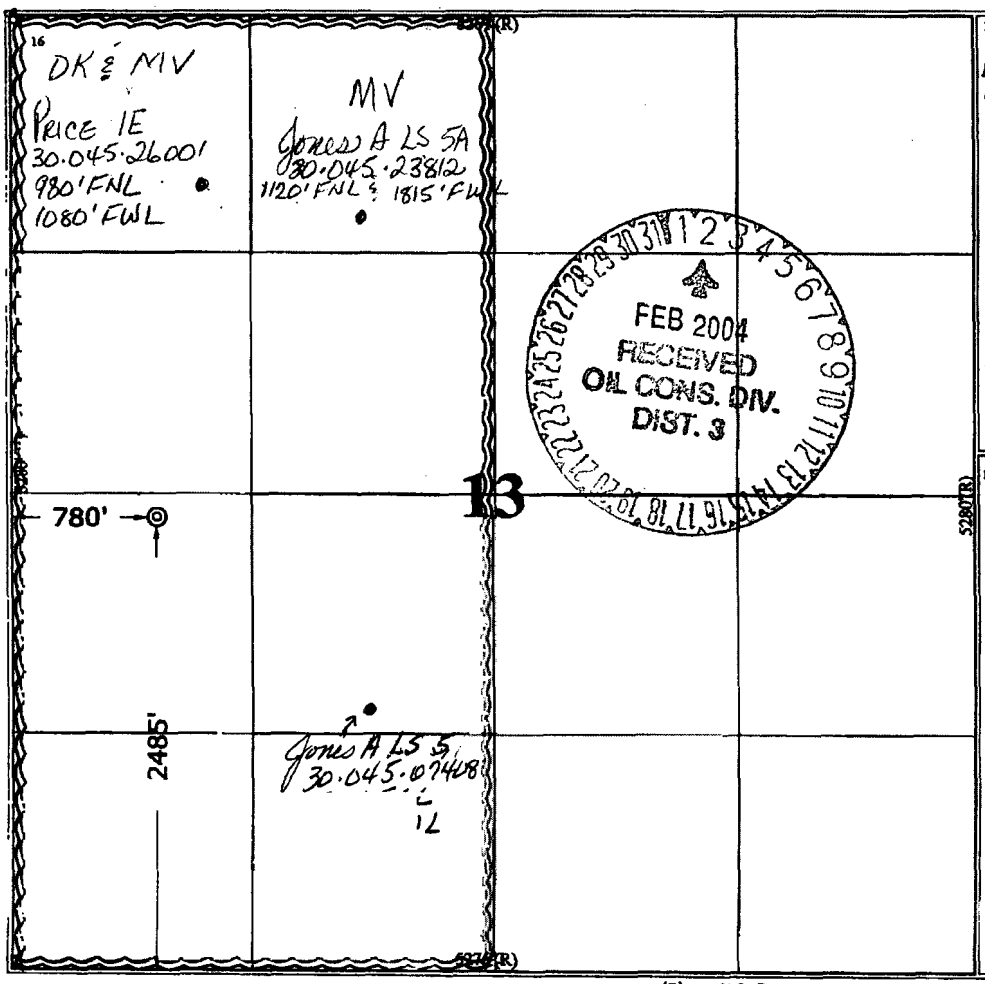
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	13	28 N	8 W		2485	SOUTH	780	WEST	SAN JUAN

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.
320			

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: Regulatory Analyst

Date: 12-03-2003

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.

Revised: November 6, 2003
September 17, 2003

Date of Survey

Signature and Seal of Professional Surveyor

GARY D. VANN
NEW MEXICO
7016
REGISTERED PROFESSIONAL LAND SURVEYOR

7016

Certificate Number

(R) – GLO Record

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

FEB 2004
RECEIVED
OIL CONS. DIV.
DIST. 3

5. Lease Serial No.
NMSF078390

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
PRICE 1M

2. Name of Operator
BP AMERICA PRODUCTION CO
Contact: MARY CORLEY
E-Mail: corleyml@bp.com

9. API Well No.
30-045-31968-00-X1

3a. Address
P. O. BOX 3092
HOUSTON, TX 77253

3b. Phone No. (include area code)
Ph: 281.366.4491
Fx: 281.366.0700

10. Field and Pool, or Exploratory
BASIN DAKOTA
BLANCO MESAVERDE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 13 T28N R8W SWNW Lot E Tract E 2255FNL 760FWL
36.39800 N Lat, 107.38300 W Lon

11. County or Parish, and State
SAN JUAN COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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 recomplete 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 recompletion 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.)

Original APD filed on 10/15/2003, EC Transmission #24421. Please note BP America request to amended the drilling location of the subject well from 2255' FNL & 760' FWL of Section 13 T28N R08W to 2485' FSL & 780' FWL of Section 13 T28N R08W as reflected on the attached Form C-102

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #25664 verified by the BLM Well Information System
For BP AMERICA PRODUCTION CO, sent to the Farmington
Committed to AFMSS for processing by ADRIENNE GARCIA on 12/10/2003 (04AXG1917SE)

Name *(Printed/Typed)* MARY CORLEY — Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission) — Date 12/03/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By /s/ David J. Mankiewicz — Title — Date JAN 30 2004

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

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

BP AMERICA PRODUCTION COMPANY
DRILLING AND COMPLETION PROGRAM

Prospect Name: **Price**
Lease: Price
County: San Juan
State: New Mexico
Date: September 18, 2003

Well No: **1M**
Surface Location: 13-28N-8W, 2255 FNL, 760 FWL
Field: Blanco Mesaverde/Basin Dakota

OBJECTIVE: Drill 240' below the top of the Two Wells Mbr., Dakota Fm., set 41/2" production liner, Stimulate DK, 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
CBL	Identify 4 ½" cement top

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

APPROXIMATE DEPTHS OF GEOLOGICAL MARKER

Estimated GL: 6344' Estimated KB: 6359'

MARKER		MD	Subsea
Ojo Alamo		2062	4296
Kirtland		2102	4256
Fruitland		2458	3900
Fruitland Coal	*	2727	3631
Pictured Cliffs	*	2931	3427
Lewis	#	3106	3252
Cliff House	#	4408	1950
Menefee	#	4691	1668
Point Lookout	#	5132	1226
Mancos		5481	877
Greenhorn		7084	-726
Bentonite marker		7141	-783
Two Wells Mbr.	#	7182	-824
Paguate Mbr	#	7277	-919
Upper Cubero	#	7306	-948
Lower Cubero	#	7335	-977
Encinal Canyon	#	7388	-1030
TOTAL DEPTH		7422	-1064

Probable completion interval * Possible Pay

SPECIAL TESTS

TYPE
None

REMARKS:

DRILL CUTTING SAMPLES

FREQUENCY	DEPTH
10	3206-TD

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	- 3206	(1)	Water/LSND	8.6-9.2		<6	
3206	- 7422		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	3206	7"	J/K-55 ST&C	20#	8.75"	1,2
Production	7422	4 1/2"	J-55	11.6#	6.25"	3,4

REMARKS:
(1) Circulate Cement to Surface
(2) Set casing 100' into Lewis Shale
(3) Bring cement 100' above 7" shoe
(4) 100' Overlap

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:	
HGJ/MNP/JMP		**September 18, 2003 Version 1.0**	

BP America Production Company
BOP Pressure Testing Requirements

Well Name: Price 1 M
County: San Juan **State:** New Mexico

Formation	Est. MD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	2062		
Fruitland Coal	2727		
PC	2931		
Lewis Shale	3106		
Cliff House	4408	500	0
Menefee Shale	4691		
Point Lookout	5132	600	0
Mancos	5481		
Dakota	7182		
TD	7422	2600	1500

** Note: Determined using the following formula: ABHP – (.22*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.

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.

BP ~~is~~ currently using 3% CaCl2 in our slurry and achieves 300 psi compressive strength ~~after~~ 1 hr 50 min and ~~500 psi after 3 hrs 8~~ min. We, therefore, ~~request approval to initiate~~ blowout preventer (BOP) nipple up operations ~~after a 2 hour wait on cement time~~ in lieu of the 6 hour time frame required by rule to achieve 300 psi compressive strength with Class B cement slurry at 80 deg F.

NO—

Cementing Program

Well Name:	Price 1M	Field:	Blanco Mesaverde / Basin Dakota
Location:	13-28N-08W, 2255 FNL, 760 FWL	API No.	
County:	San Juan	Well Flac	
State:	New Mexico	Formation:	Dakota MesaVerde
		KB Elev (est)	6359
		GL Elev. (est)	6344

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	13.5	9.625	ST&C	Surface	NA	
Intermediate	3206	8.75	7	LT&C	Surface	NA	
Production -	7422	6.25	4.5	ST&C	3106	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 Loss	<15

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 minmize drillout.

Surface:

Preflush	20 bbl.	FreshWater	
Slurry 1	110 sx Class G Cement		117 cuft
TOC@Surface	+ 3% CaCl2 (accelerator)		
	+ 0.25 #/sk Cellophane Flake (lost circulation additive)		0.4887 cuft/ft OH

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
1 Stop Ring
1 Thread Lock Compound

Intermediate:

Cementing Program

Fresh Water	20 bbl	fresh water		
Lead		270 sx Class "G" Cement		701 cuft
Slurry 1		+ 3% D79 extender		
TOC@Surface		+1/4 #/sk. Cellophane Flake		
		+ 5 lb/sk Gilsonite		
Tail		60 sx 50/50 Class "G"/Poz		75 cuft
Slurry 2		+ 2% gel (extender)		
500 ft fill		+1/4 #/sk. Cellophane Flake		0.1503 cuft/ft OH
		+ 2% CaCl2 (accelerator)		0.1746 cuft/ft csg ann
		+ 5 lb/sk Gilsonite		

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (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 one in middle of first joint, then every third collar
1 Top Rubber Plug
1 Thread Lock Compound

Production:

Fresh Water	10 bbl	CW100		
Lead		190 LiteCrete D961 / D124 / D154		464 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		207 cuft
Slurry 2		+ 5% D20 gel (extender)		
1441 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 (lb/gal)	Yield (ft3/sk)	Water (gal/sk)	0.1169 cuft/ft csg ann
Slurry 1	9.5	2.52	6.38	
Slurry 2	13	1.44	6.5	Top of Mancos 5481

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