SAP NO: X5-xxxxxx

BP America Production Company
AUTHORIZATION FOR EXPENDITURE

DATE PREPARED:	12/18/2002	FINANCIAL MEMO NO:	SJ-02-037-WEWK
OPERATOR:	BP America	AFE NO:	
LEASE/UNIT/FACILITY:	Crawford	SURFACE LOCATION:	Sec.24, T29N, R12W
LEASE FLAC IDENTIFIER:		BOTTOM HOLE LOC:	
WELL NAME/NUMBER:	Gas Com B 1	PROPOSED TOTAL DEPTH:	
OPERATION CENTER:	San Juan	COUNTY/STATE:	San Juan, NM
BPA WORKING INTEREST:		OPERATING FIELD:	Otera Chacra
JOA NUMBER:		HORIZON: (formation/prospect)	Chacra
		ANTICIPATED START:	Feb-03

PROJECT TYPE: Check one
- ☐ Capital Construction
- ☐ New Drill
- ☑ Recompletion
- ☐ Repair
- ☐ Plug and Abandonment
- ☐ Maintenance Expense Project
- ☑ Downhole Commingle
- ☐ Other

TYPE WELL:
- ☐ OIL WELL ☑ GAS WELL
- ☐ INJECTOR ☐ WATER DISPOSAL
- ☑ DEVELOPMENT WELL ☐ EXPLORATORY WELL
- ☑ SINGLE COMPLETION ☐ DUAL COMPLETION

INVESTMENT CATEGORY: check one
☐ DPXF ☐ APXF ☐ MPXF

PROJECT DESCRIPTION/COMMENTS TO PARTNERS:

BP is in the process of exploiting the undeveloped potential of the Chacra horizon through recompletions. The subject Dakota well is in an optimal location for such. However, the Dakota formation in this wellbore has not yet produced to its economic limit. It is therefore proposed to recomplete this well to the Chacra and commingle with the existing Dakota. The project includes a fracture stimulation along with appropriate facility modifications to produce the well.

EXPENSE/CAPITAL/PXA T - Tangible I - Intangible	DESCRIPTION		ESTIMATED COST GROSS PRODUCER	GROSS DRY HOLE
Capital/Intangible	Drilling Intangibles		$116,000.00	
	Rig	30000		
	E-line work	4000		
	Stimulation	45000		
	Rentals	18000		
	Transportation	4000		
	Misc	15000		
		116000		
Capital/Intangible	Well Equipment Tangibles		$31,000.00	
	Materials	7000		
	Wellhead	2000		
	Tubing	11000		
	Sep & Tank	6000		
	Misc	5000		
		31000		
	TOTAL PROJECT COST:		$147,000.00	$0.00

PROJECT CONTACTS:	NAME	TITLE	PHONE NUMBER
	John Papageorge	TECHNICAL CONTACT	281-366-5721
		BUSINESS CONTACT	

APPROVED BY: _____ DATE _____

NOTICE TO NONOPERATOR Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation. Overhead will be charged in accordance with the Joint Operating Agreement

APPROVAL YES _____ NO _____

COMPANY NAME / NONOPERATOR _____

BY: _____ (print name) DATE: _____

BY: _____ (signature)

SPECIAL REQUESTS: (i.e. template preference, additional WBS elements, special recording by Tulsa, etc.)

CCenter:	
JV #:	
Lease flac:	
Well Flac:	92389501

PROJECT CLOSE	
API #:	30-045-07983
Date of State of Prod. Ready:	
TD:	
PBTD:	
Useless Footage:	0

UPDATED 08/05/99

BP America Production Company
Compulsory Pooling-January 23, 2003
S/2 of Section 24-T29N-R12W
San Juan County
Exhibit No. 4