

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <u>9</u> NMSF - 07812-A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator BP AMERICA PRODUCTION COMPANY Contact: MARY CORLEY E-Mail: corleyml@bp.com		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. BOX 3092 HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 281.366.4491 Fx: 281.366.0700	8. Lease Name and Well No. FLORANCE AA 14C
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW Lot N 860FSL 1770FWL 36.49300 N Lat, 107.48400 W Lon At proposed prod. zone		9. API Well No. <u>30045 32400</u>
14. Distance in miles and direction from nearest town or post office* 16+ MILES FROM AZTEC, NEW MEXICO		10. Field and Pool, or Exploratory BLANCO MESAVERDE
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 860	16. No. of Acres in Lease 320.00	11. Sec., T., R., M., or Blk. and Survey or Area N Sec 8 T30N R9W Mer NMP SME: BLM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1110	19. Proposed Depth 5659 MD	12. County or Parish SAN JUAN ✓
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6324 GL	22. Approximate date work will start 08/01/2004	13. State NM
		17. Spacing Unit dedicated to this well 320.00 <u>W2</u>
		20. BLM/BIA Bond No. on file WY2924
		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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 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 05/25/2004
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date <u>9-1-04</u>
Title <u>AFM</u>	Office <u>PFO</u>	

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 #31115 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

ALL OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

NMOCDC

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 30045-32400		2 Pool Code 72319		3 Pool Name Blanco Mesaverde	
4 Property Code 000520		5 Property Name Florance AA			6 Well Number # 14C
7 OGRID No. 00079B		8 Operator Name BP AMERICA PRODUCTION COMPANY			9 Elevation 6324

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
N	8	30 N	9 W		860	SOUTH	1770	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

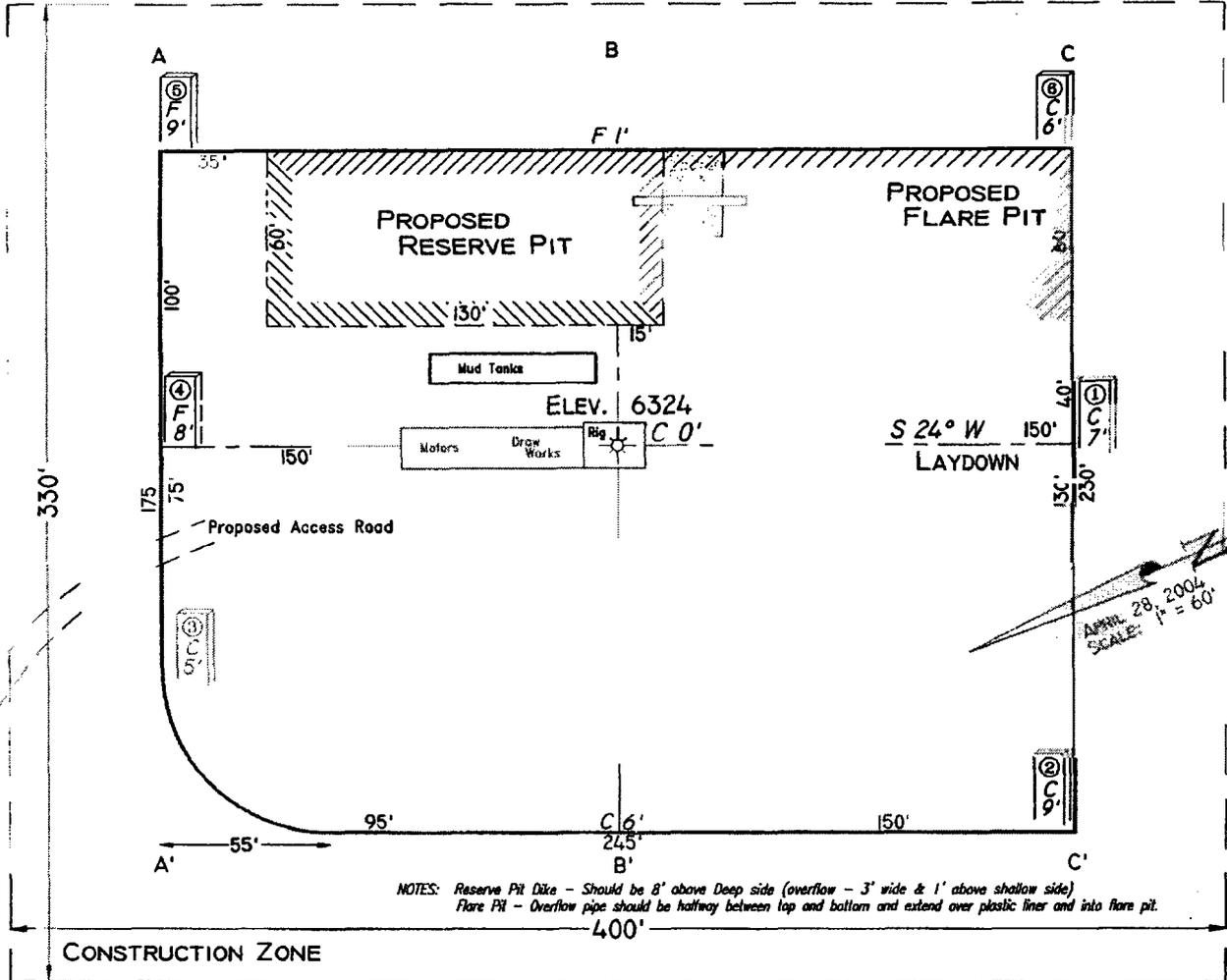
12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>Florance AA 14A 30-045-34072 870' FNL & 1455' FWL</p>		<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>Signature: <i>Mary Corley</i> Printed Name: Mary Corley Title: Sr. Geology Analyst Date: 05.29.2004</p>		
			<p>Florance AA 14B 30-045-31884 2280' FNL & 1930' FWL</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>Date of Survey: April 28, 2004</p> <p>Signature and Seal of Professional Surveyor: <i>Gary D. Pann</i></p> <p>7016 Certificate Number</p>
			<p>Florance AA 14 30-045-09649 1650' FSL & 990' FWL</p>	

PAD LAYOUT PLAN & PROFILE
BP AMERICA PRODUCTION COMPANY
 Florance AA # 14C
 860' F/SL 1770' F/WL
 SEC. 8, T30N, R9W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°49'16"
 Long: 107°48'24"

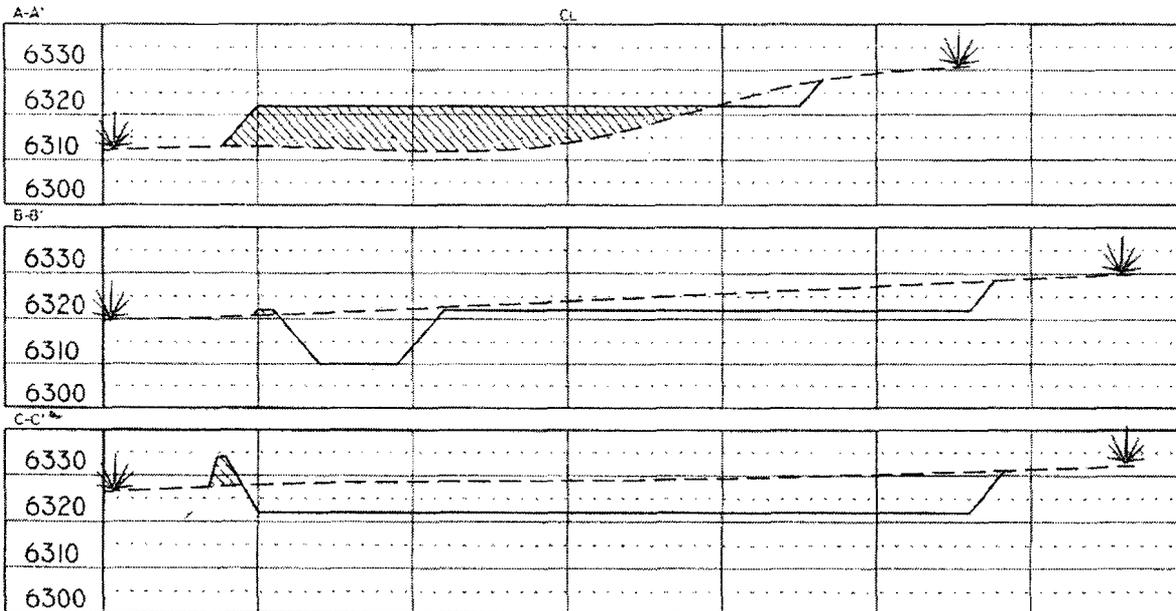


NOTES: Reserve Pit Dike - Should be 8' above Deep side (overflow - 3' wide & 1' above shallow side)
 Flare Pit - Overflow pipe should be halfway between top and bottom and extend over plastic liner and into flare pit.

APRIL 28, 2004
 SCALE: 1" = 60'

Area of Construction Zone - 330'x400' or 3.03 acres, more or less.

SCALE: 1"=60'-HORIZ.
 1"=40'-VERT.



NOTE: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

Cuts and fills shown are approximate - final finished elevation is to be adjusted so earthwork will balance. Corner stakes are approximate and do not include additional areas needed for sideslopes and drainages. Final Pad Dimensions are to be verified by Contractor.

VANN SURVEYS
 P. O. Box 1306
 Farmington, NM

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

Prospect Name: Florance AA
Lease: Florance AA
County: San Juan
State: New Mexico
Date: May 11, 2004

Well No: 14 C
Surface Location: 8-30N-9W, 860 FSL, 1770 FWL
Field: Blanco Mesaverde

OBJECTIVE: Drill 400' below the top of the Point Lookout Sandstone, set 2 7/8" production longstring, Stimulate CH, MF and PL intervals

METHOD OF DRILLING		APPROXIMATE DEPTHS OF GEOLOGICAL MARKER			
TYPE OF TOOLS	DEPTH OF DRILLING	Estimated GL: 6324'		Estimated KB: 6335'	
Rotary	0 - TD	MARKER		SUBSEA	TVD
LOG PROGRAM		Ojo Alamo		4530	1805
TYPE	DEPTH INVERAL	Kirtland		4472	1864
<u>OPEN HOLE</u>		Fruitland		3939	2396
None		Fruitland Coal	*	3589	2746
		Pictured Cliffs	*	3293	3042
		Lewis	*	3070	3265
<u>CASED HOLE</u>		Cliff House	#	1788	4547
GR-CCL-CBL	TD to 7" shoe	Menefee	#	1447	4889
		Point Lookout	#	1076	5259
		Mancos		690	5645
REMARKS:		TOTAL DEPTH		676	5659
- Please report any flares (magnitude & duration).		# 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 - 120	Spud	8.6-9.2			
120 - 2696 (1)	Water/LSND	8.6-9.2		<6	
2696 - 5659	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	8 5/8"	X-42 ST&C	20#	12.25"	1
Intermediate	2696	5 1/2"	J-55 ST&C	15.5#	7.875"	1,2
Production	5659	2 7/8"	J-55	6.5#	4.75"	3,4

REMARKS:
(1) Circulate Cement to Surface
(2) Set casing 50' above Fruitland Coal
(3) Bring cement 100' above 5 1/2" 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		May 16, 2003	
		Version 1.0	
Form 46 12-00 MNP			

Additional Operator Remarks:

Notice of Staking was submitted on 05/11/2004.

BP America Production Company respectfully request permission to drill the subject well to a total depth of approximately 5659' and complete in the Blanco Mesaverde Pool.

As an alternate to the drilling of the surface hole with drilling mud as stated on the attached Form 46, BP request permission to either drill with drilling mud or with air/air mist. Additionally, BP request as a possible alternate to the cementing of the surface casing to be either the cementing program stated on the cementing report or with approximately 94 CU/FT TYPE I-II, 20% FLYASH, 14.5 PPG, 7.41 GAL/SK, 1.61 CF/SK YIELD, 80 DEG BHST READY MIX CMT.

SUPPLEMENTAL TO SURFACE USE PLAN

New facilities:

A 4 1/2" diameter buried steel pipeline that is + or 1150 feet in length will be constructed. The pipe wall thickness is .156 and the pipe wall strength is 42,000. It will be adjacent to the access road and tie the well into a gas well meter operated by BP America Production Company. The pipeline will not be used to transport gas to drill the well. After the well is spud the pipeline will be authorized by a right-of-way issued to El Paso Field Services, refer to the attached survey plat.

BP America Production Company BOP Pressure Testing Requirements

Well Name: Florance AA
County: San Juan

14 C
State: New Mexico

Formation	Estimated TVD/MD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	1805		
Fruitland Coal	2746		
PC	3042		
Lewis Shale	3365		
Cliff House	4547	500	0
Menefee Shale	4889		
Point Lookout	5259	600	0
Mancos	5645		
Dakota	-	2600	1374

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

Requested BOP Pressure Test Exception: 750 psi

**SAN JUAN BASIN
Mesaverde Formation
Pressure Control Equipment**

Background

Mesaverde
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.

Blanco Mesaverde

Equipment Specification

Interval

BOP Equipment

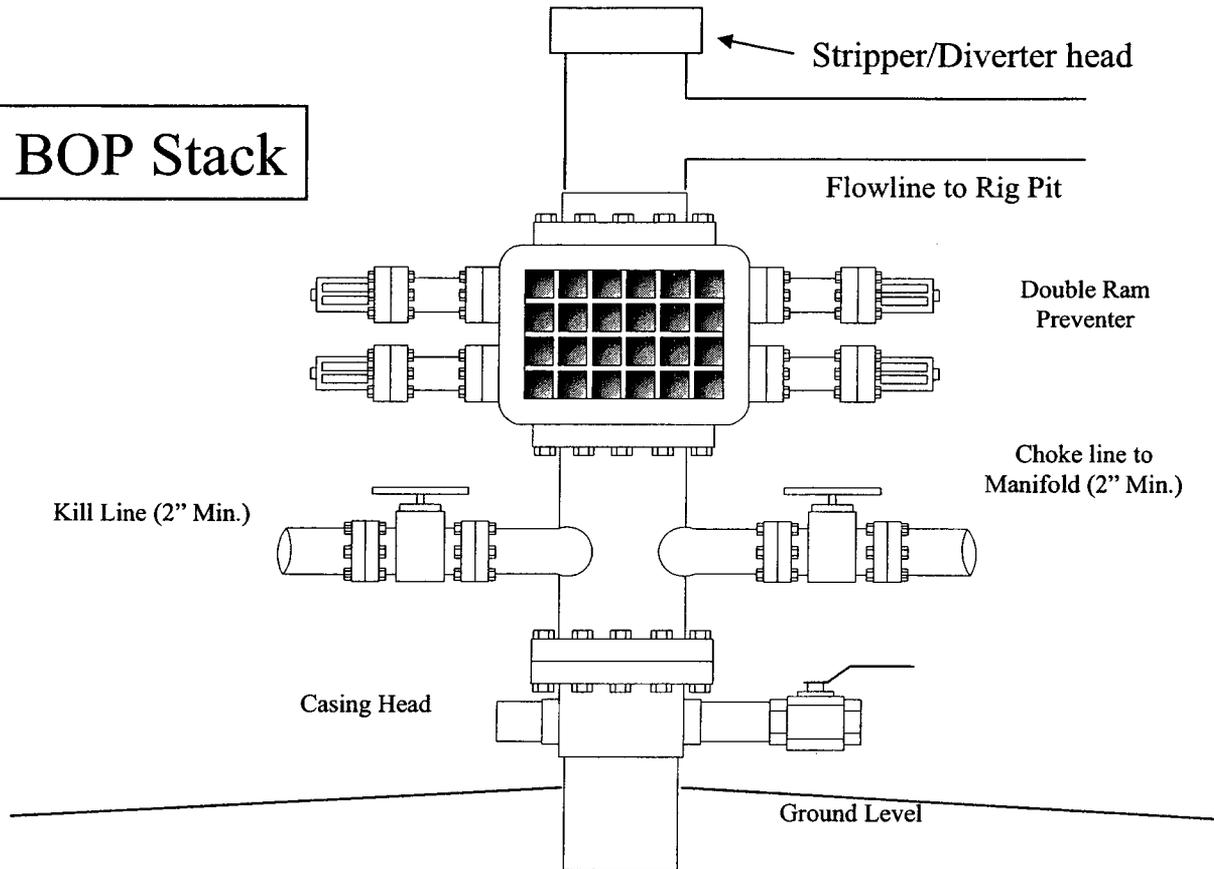
Below conductor casing to total depth 11" nominal or 7 1/16", 3000 psi double ram preventer with rotating head.

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.

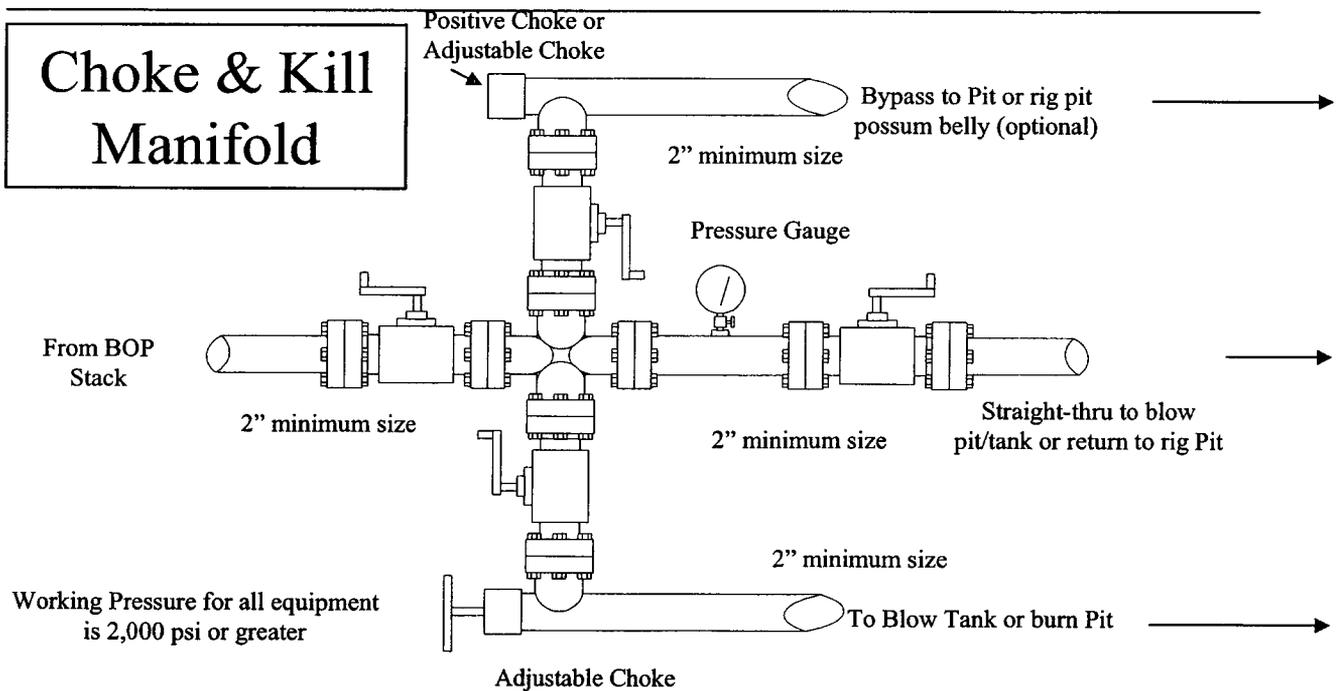
BP American Production Company
Well Control Equipment Schematic



BOP Stack



Choke & Kill Manifold



Cementing Program

Well Name:	Florance AA 14C	Field:	Blanco Mesaverde
Location:	08-30N-09W, 860 FSL, 1770 FWL	API No.	
County:	San Juan	Well Flac	
State:	New Mexico	Formation:	MesaVerde
		KB Elev (est)	6335
		GL Elev. (est)	6324

Casing Program:

Casing String	Est. Depth (ft.)	Hole Size (in.)	Casing Size (in.)	Thread	TOC (ft.)	Stage Tool Or TOL (ft.)
Surface	120	12 1/4	8 5/8	ST&C	Surface	NA
Intermediate	2696	7 7/8	5 1/2	ST&C	Surface	NA
Production -	5659	4 3/4	2 7/8		2596	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	8 5/8		24 X42	2950		1370	244	0.06368
Intermediate	5 1/2		15.5 J55	4810		4040	202	0.0238
Production -	2 7/8		6.5 J-55	7264		7676	72	0.00579

Mud Program

Apx. Interval (ft.)	Mud Type	Mud Weight	Recommended Mud Properties Prio Cementing:
0 - SCP	Water/Spud	8.6-9.2	Fluid Loss <6
SCP - ICP	Water/LSND	8.6-9.2	
ICP - TD	Gas/Air Mist	NA	

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.

Surface:

Preflush	20 bbl.	FreshWater	
Slurry 1	80 sx Class C Cement		95 cuft
TOC@Surface	+ 2% CaCl2 (accelerator)		
			0.3961 cuft/ft OH
			100 % excess
Slurry Properties:	Density (lb/gal)	Yield (ft³/sk)	Water (gal/sk)
Slurry 1	15.2	1.27	5.8

Intermediate:

Fresh Water	20 bbl	fresh water
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