Form 3160-3
(August 1999)

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

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

2004 OCT 7 PM 10 59

RECEIVED
070 FARMINGTON NM

5. Lease Serial No. **SF ~~080157~~ 080517**

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 Gas ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Schneider Gas Com 1M

2. Name of Operator
BP America Production Co. **Attn: Cherry Hlava Room 19.178**

9. API Well No.
30-045-32610

3a. Address
P.O. Box 3092 Houston, Tx 77253-3092

3b. Phone No. *(include area code)*
281-366-4081

10. Field and Pool, or Exploratory
Basin Dakota & Blanco Mesaverde

4. Loction of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **925' FNL & 1695' FWL**
At proposed prod. **Zone 770; FNL & 1430' FWL**

11. Sec., T., R., M., or Blk, and survey or Area
Section 28 T32N R10W Lot C
C
Section 28 T32N R10W Lot C

14. Distance in miles and direction from nearest town or post office*
12 Miles N/E from Aztec

12. County or Parish
San Juan

13. State
New Mexico

DEC 2004
OIL CONS. DIV.
DIST. 3

15. Distance from proposed* Location to nearest Property or lease line, ft. **(bottom hole) 770'** (Also to nearest drig. Ujnit line, if any)	16. No. of Acres in lease **318**	17. Spacing Unit dedicated to this well **318.43 - W/2 MV** **317.94 N/2 DK**
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **1100' nearest well**	19. Proposed Depth **7594'**	20. BLM/BIA Bond No. on file **WY 2924**
21. Elevations (show whether DF, KDB., RT, GL, etc. **6106'**	22. Approximate date work will start* **Nov. 15, 2004**	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	Name *(Printed/typed)*	Date
Cherry Hlava	**Cherry Hlava**	**10/04/2004**

Title
Regulatory Analyst

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
Original Signed: Stephen Mason		DEC 2 2 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.

**(Instructions on reverse)*

HOLD C104 FOR Directional Survey

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

NMOCD

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

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

RECEIVED
OCT - 7 2004
Bureau of Land Management
Farmington Field Office

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
30-045-32610	71599 / 72359	N/2 Basin Dakota / W/2 Blanco Mesaverde

4 Property Code	5 Property Name	6 Well Number
001025	Schneider Gas Com	# 1M

7 OGRID No.	8 Operator Name	9 Elevation
000778	BP AMERICA PRODUCTION COMPANY	6106

10 Surface Location

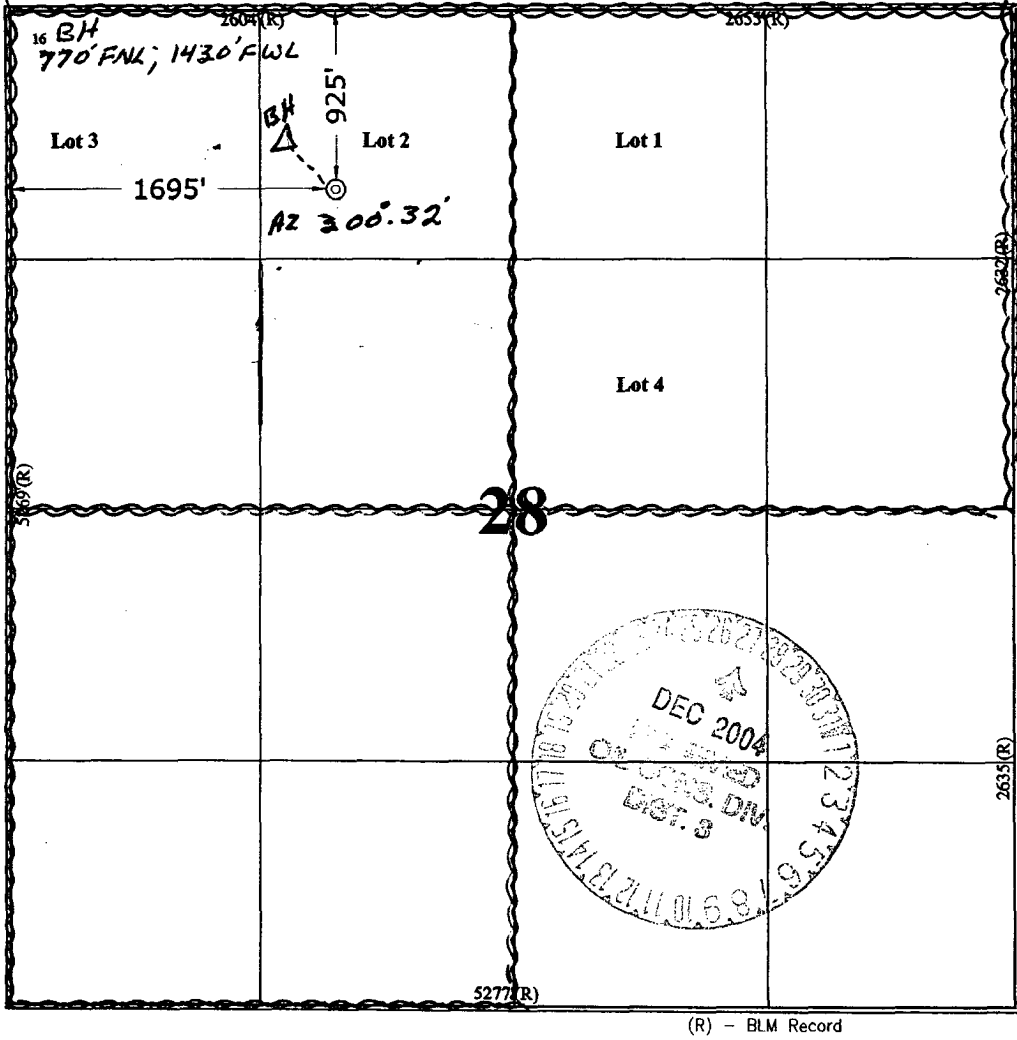
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C (Lot 2)	28	32 N	10 W		925	NORTH	1695	WEST	SAN JUAN

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
C (Lot 2)	28	32N	10W		770	North	1430	West	San Juan

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
DK 317.94 MV 318.43			

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.

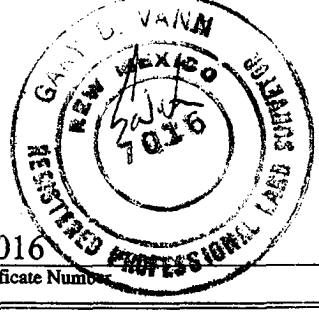
Signature: Cherry Hlava
Printed Name: Cherry Hlava
Title: Regulatory Analyst
Date: 5-5-04

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.

March 31, 2004
Date of Survey

Signature and Seal of Professional Surveyor



7016
Certificate Number

(R) – BLM Record

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
March 4, 2004

WELL API NO.
NEW WELL

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
Schneider Gas Com
(APD filed with BLM SF - 080157)

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

8. Well Number
1 M

2. Name of Operator
BP AMERICA PRODUCTION CO

9. OGRID Number
000778

3. Address of Operator
P.O. BOX 3092 HOUSTON, TX 77079-2064

10. Pool name or Wildcat
Basin Dakota & Blanco Mesaverde

4. Well Location

Unit Letter **C** : **925** feet from the **North** line and **1695** feet from the **West** line

Section **28** **Township 32N** **Range 10W** NMPM **SAN JUAN** County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
6106'

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL C Sect 28 Twp 32N Rng 10W Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000'

Distance from nearest surface water >1000' Below-grade Tank Location UL C Sect 28 Twp 32N Rng 10W ;

875' feet from the North line and 1710' feet from the West line PLEASE SEE ATTACHED PAD LAYOUT

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPLETION	☐	CASING TEST AND CEMENT JOB	☐		
OTHER: **Lined Drilling Pit Permit**			☒	OTHER:			☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please reference BP America's San Juan Basin Drilling/Workover Pit Construction Plan on file with the NMOCD. Pit construction Plan issued date of 04/15/2004. Pit will be closed according to closure plan on file.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.**

SIGNATURE Cherry Hlava TITLE Regulatory Analyst DATE 8/05/04

Type or print name **Cherry Hlava** E-mail address: **hlavacl@bp.com** Telephone No. 281-366-4081

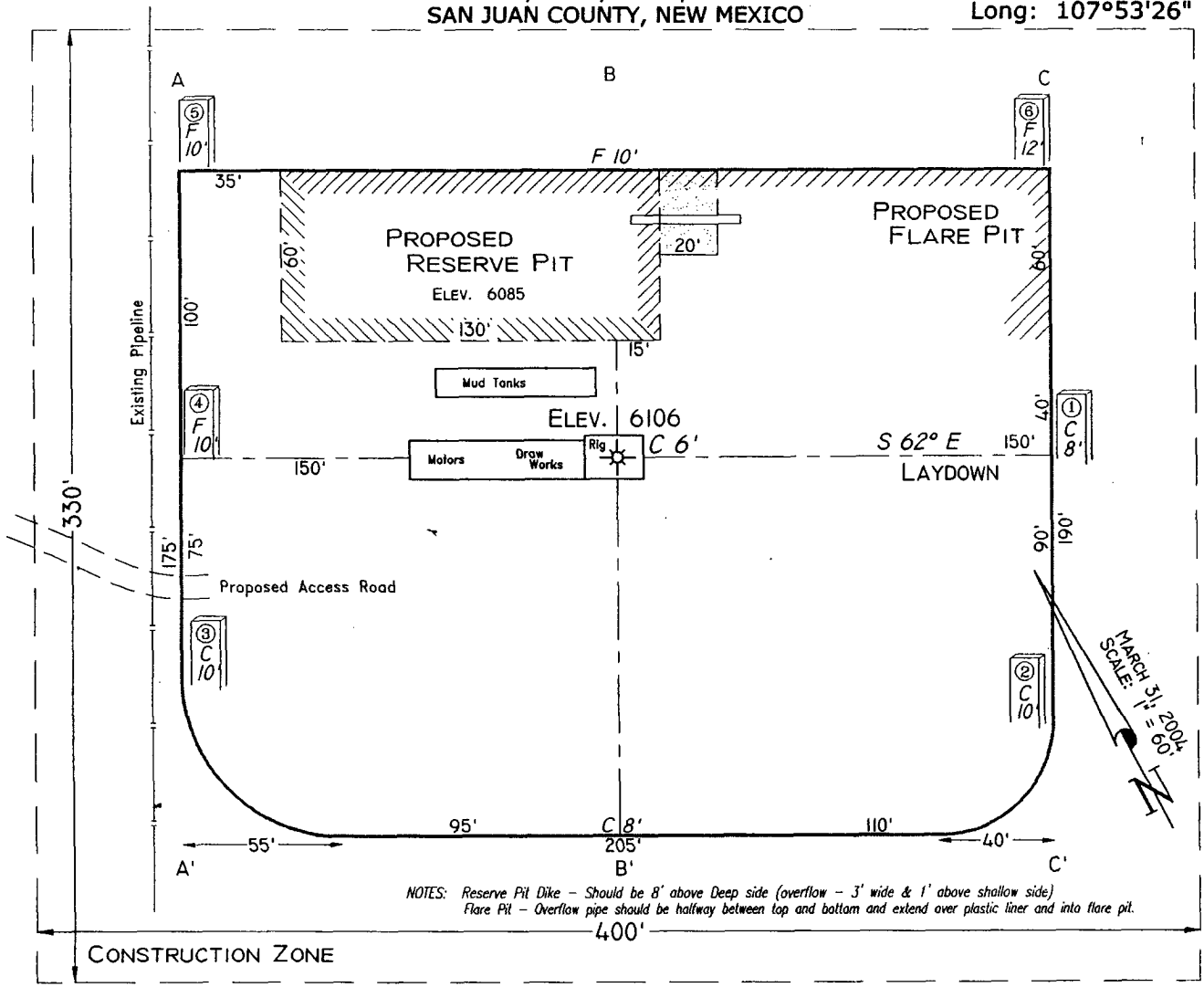
(This space for State use)

APPPROVED BY TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE DEC 27 2004

Conditions of approval, if any:

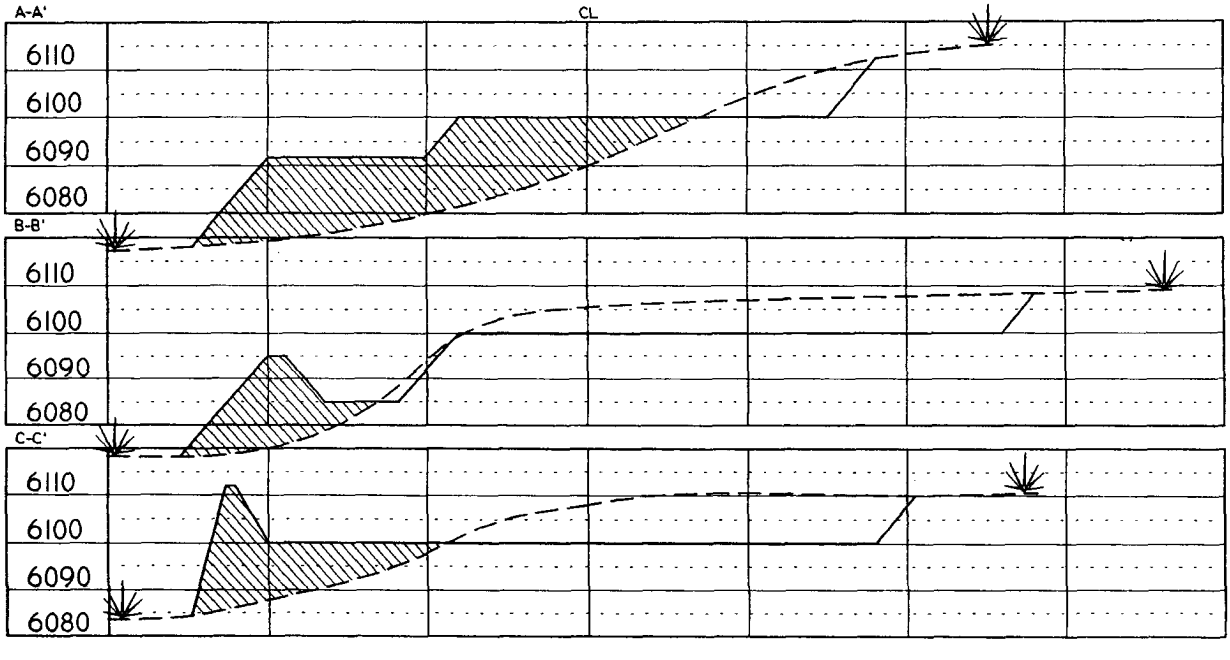
PAD LAYOUT PLAN & PROFILE
BP AMERICA PRODUCTION COMPANY
Schneider Gas Com # 1M
925' F/NL 1695' F/WL
SEC. 28, T32N, R10W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

Lat: 36°57'39"
Long: 107°53'26"



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

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.

BP AMERICA PRODUCTION COMPANY
DRILLING AND COMPLETION PROGRAM

Prospect Name: Schneider GC
Lease: Schneider
County: San Juan
State: New Mexico

Well No: 1 M
Surface Location: 28-32N-10W, 925 FNL, 1695 FWL
Bottom Location: 28-32N-10W, 770 FNL, 1430 FWL
Field: Blanco Mesaverde/Basin Dakota

Date: May 4, 2004

OBJECTIVE: Drill 200' below the top of the Two Wells; set 41/2" production casing. Stimulate CH, MF, PL and DK intervals

METHOD OF DRILLING

TYPE OF TOOLS	DEPTH OF DRILLING
Rotary	0 - TD

LOG PROGRAM

TYPE	DEPTH INTERVAL
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: 6106 Estimated KB: 6120

MARKER		MD	TVD
Ojo Alamo		1379'	1379'
Kirkland		1425'	1425'
Fruitland		2345'	2336'
Fruitland Coal	*	2541'	2530'
Pictured Cliffs	*	2938'	2920'
Lewis Shale	#	3190'	3169'
Cliff House	#	4505'	4480'
Menefee Shale	#	4888'	4863'
Point Lookout	#	5242'	5217'
Mancos		5594'	5569'
Greenhorn		7293'	7269'
Bentonite Marker		7341'	7317'
Two Wells	#	7419'	7394'
Paguate	#	7478'	7453'
Cubero Upper	#	7497'	7472'
Cubero Lower	#	7516'	7491'
Encinal Canyon	#	7560'	7535'
TOTAL DEPTH		7619'	7594'

Probable completion interval * Possible Pay

SPECIAL TESTS

TYPE
None

REMARKS:

DRILL CUTTING SAMPLES

FREQUENCY	DEPTH
10'	3292' -TD

DRILLING TIME

FREQUENCY	DEPTH
Geolograph	0-TD

MUD PROGRAM:

Approx. Interval			Type Mud	Weight, #/ga	Vis, sec/qt	W/L cc's/30 min	Other Specification
0	- 120		Spud	8.6-9.2			
120	- 3292	(1)	Water/LSND	8.6-9.2		<6	
3292	- 7619		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	3292	7"	J/K-55 ST&C	20#	8.75"	1,2
Production	7619	4 1/2"	J-55	11.6#	6.25"	3

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

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 4, 2004 Version 2.1	

Form 46 12-00 MNP

Cementing Program

Well Name:	Schneider GC 1M	Field:	Blanco Mesaverde / Basin Dakota
Location:	28-32N-10W, 925 FNL, 1695 FWL	API No.	
County:	San Juan	Well Flac	
State:	New Mexico	Formation:	Blanco Mesaverde/Basin Dakota
		KB Elev (est)	6120
		GL Elev. (est)	6106

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	3292	8.75	7	~~LT~~ST&C	Surface	NA	
Production -	7619	6.25	4.5	ST&C	3192	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~~ 3370	1400	254	0.0787	8.845
Intermediate	7	20	K-55	3740	2270	~~234~~ 254	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	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	100 sx Class C Cement		127 ~~117~~ cuft
TOC@Surface	+ 2% CaCl2 (accelerator)		0.4887 cuft/ft OH

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	15.2	1.27	5.8

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

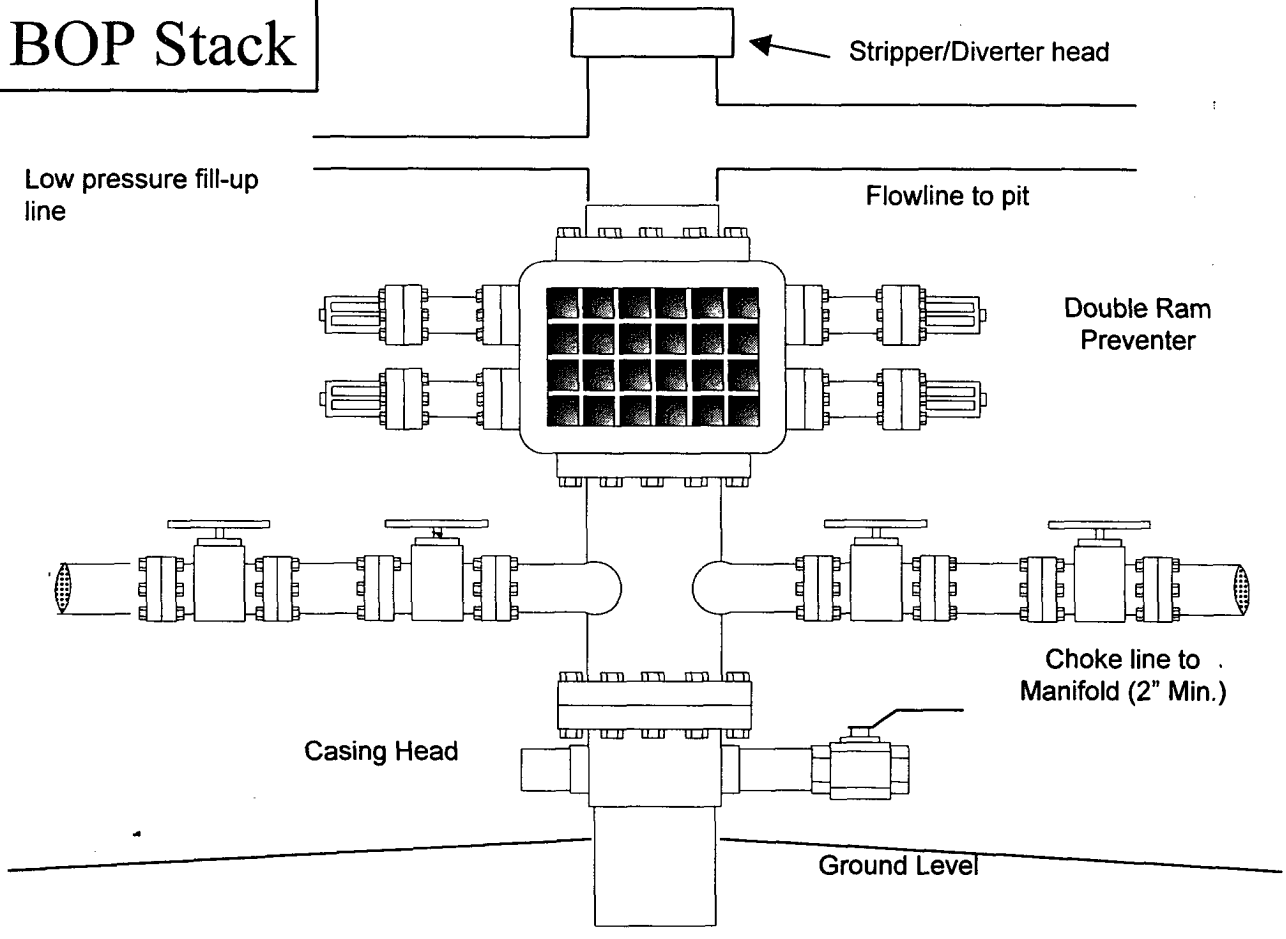
Cementing Program

1 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 America Production Company

Well Control Equipment Schematic

BOP Stack



Choke & Kill Manifold