

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF - 078139 81098
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well Gas <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or tribe Name
2. Name of Operator BP AMERICA PRODUCTION COMPANY		7. If Unit or CA Agreement, Name and No
3a. Address P.O. BOX 3092 HOUSTON, TXN 77079-2064	3b. Phone No. (include area code) 281-366-4081	8. Lease Name and Well No. ELLIOTT GAS COM X 1E
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1535' FNL & 1090' FEL At proposed prod. Zone 1200' FNL & 810' FEL		9. API Well No. 30-048-33020
14. Distance in miles and direction from nearest town or post office* 15.6 Miles N/E From Aztec, NM		10. Field and Pool, or Exploratory BASIN DK & BLANCO MESAVERDE
15. Distance from proposed* Location to nearest Property or lease line, ft. 1090' (Also to nearest drig. Ujnit line, if any)	16. No. of Acres in lease 320	11. Sec., T., R., M., or Blk, and survey or Area Sec. 09 T30N R09W
18. Distance from proposed location* to nearest well, drilling, completed, New location is on applied for, on this lease, ft. existing Elliott Ft Coal well pad	19. Proposed Depth 7626	12. County or Parish SAN JUAN
21. Elevations (show whether DF, KDB., RT, GL, etc.) 6192' GL	22. Approximate date work will start* 07/15/05	13. State NEW MEXICO
17. Spacing Unit dedicated to this well 320 EA DK N/2 MV		20. BLM/BIA Bond No. on file WY 2924
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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Cherry Hlava</i>	Name (Printed/typed) Cherry Hlava	Date 04/14/05
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Title Regulatory Analyst		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 6-27-05
Title Office FFO		

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

RECEIVED
APR 8 PM 1 31
TO FARM NO. 11

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 30-045-33020	² Pool Code 71599; 72319	³ Pool Name Basin Dakota & Blanco Mesaverde
⁴ Property Code 000457	⁵ Property Name Elliott Gas Com X	⁶ Well Number #1 E
⁷ OGRID No. 000778	⁸ Operator Name BP AMERICA PRODUCTION COMPANY	⁹ Elevation 6192

¹⁰ Surface Location

UL or Lot No. H	Section 9	Township 30 N	Range 9 W	Lot Idn	Feet from the 1535	North/South line NORTH	Feet from the 1090	East/West line EAST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. A	Section 9	Township 30	Range 9 W	Lot Idn	Feet from the 1200'	North/South line NORTH	Feet from the 810'	East/West line EAST	County SAN JUAN
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¹² Dedicated Acres 320 DK E/2 320 MV N/2	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

<div><p>16</p><p>Bottom Hole Location 1200' F/NL 810' F/EL Azimuth 59.86°</p><p>1090'</p></div>	<div><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 Cherry Hlava</p><p>Printed Name Cherry Hlava</p><p>Title Regulatory Analyst</p><p>Date 4-13-05</p></div> <div><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>February 20, 2005</p><p>Date of Survey</p><p>Signature and Seal of Professional Surveyor</p><p>7016</p><p>Certificate Number</p></div>
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Additional Operator Remarks
Elliott Gas Com X 1E
APD

The well name, on the **Notice of Staking** that was **submitted on March 2, 2005** was Elliott Gas Com C 1C.

The name is changed To: Elliott Gas Com X 1E

The new well location is on the existing well pad for the Elliott GC Y #1.

BP America Production Company respectfully requests permission to directionally drill the subject well to a total depth of approximately 7626'. Complete in the Basin Dakota Pool, isolate the Dakota; complete into the Blanco Mesaverde, establish a production rate; drill out the bridge plug and commingle production downhole.

Application for Downhole Commingling authority (NMOCD order R-11363) will be submitted to all appropriate for approval after Permit to Drill has been approved.

If terrain allows it is our intent to pre-set the 9 5/8" casing on the above mentioned well by drilling a surface hole with air/air mist in lieu of drilling mud and the surface casing be cemented with 94.5 cu/ft type I-II, 20% FLYASH, 14.5 PPG, 7.41 gal/sk, 1.61 cf/sk Yield, 80 DEG BHST ready mix cement. If the area will not allow for pre-set the approved cement program will be followed.

SUPPLEMENTAL TO SURFACE USE PLAN

New Facilities:

A 4.5" diameter buried steel pipeline that is +/- 250 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 an existing gas 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 by El Paso Field Services.

APD/ROW

BP AMERICA PRODUCTION COMPANY

DRILLING AND COMPLETION PROGRAM

4/13/2005

Lease:	Elliott GC	Well Name & No.	Elliott GC X 1E	Field:	Blanco Mesaverde/Basin Dakota
County:	San Juan, New Mexico	Surface Location:	9-30N-9W : 1535' FNL, 1090' FEL		
Minerals:		Surface:	Lat: 36.8286488 Long: -107.7802283		
Rig :	Aztec 184	BH Location:	1200' FNL, 810' FEL; Lat: 36.8295625 Long: -107.7792784		
OBJECTIVE:	Drill 240' below the top of the Two Wells Mbr, set 4-1/2" production casing. Stimulate DK, MF, and PL intervals.				

METHOD OF DRILLING		APPROXIMATE DEPTHS OF GEOLOGICAL MARKER					
TYPE OF TOOLS	DEPTH OF DRILLING	Actual GL:	6192	Estimated KB: 6,206.0'			
Rotary	0 - TD	Marker		SUBSEA	TVD	APPROX. MD	
LOG PROGRAM		Ojo Alamo		4,558'	1,648'	1,648'	
Type	Depth Interval	Kirtland		4,408'	1,798'	1,798'	
Single Run		Fruitland	*	3,867'	2,339'	2,346'	
		Fruitland Coal	*	3,483'	2,723'	2,746'	
		Pictured Cliffs	*	3,224'	2,982'	3,015'	
		Lewis	*	2,971'	3,235'	3,278'	
Cased Hole		Cliff House	#	1,706'	4,500'	4,554'	
TDT- CBL	TD to 7" shoe.	Menefee	#	1,398'	4,808'	4,862'	
	Identify 4 ½" cement top	Point Lookout	#	1,009'	5,197'	5,251'	
REMARKS:		Mancos		690'	5,516'	5,570'	
- Please report any flares (magnitude & duration).		Greenhorn		-1,025'	7,231'	7,285'	
		Graneros (bent,mkr)		-1,077'	7,283'	7,337'	
		Two Wells	#	-1,126'	7,332'	7,386'	
		Paguate	#	-1,220'	7,426'	7,480'	
		Cubero	#	-1,265'	7,471'	7,525'	
		L. Cubero	#	-1,290'	7,496'	7,550'	
		Encinal Cyn	#	-1,323'	7,529'	7,583'	
		TOTAL DEPTH:		-1,366'	7,572'	7,626'	
		# Probable completion interval			# Possible Pay		

SPECIAL TESTS		DRILL CUTTING SAMPLES		DRILLING TIME	
TYPE		FREQUENCY	DEPTH	FREQUENCY	DEPTH
		30'/10' intervals	3,378' to TD	Geograph	0 - TD
REMARKS:					

MUD PROGRAM:					
Interval	TypeMud	#/gal	Vis, sec/qt	/30 min	Other Specification
200'	Spud	8.8 - 9.0	Sufficient to clean hole.		
3,378'	Water/LSND	8.4 - 9.0		<9	Sweep hole while whilst water drilling, LCM onsite
7,626'	Air	1	1000 cfm for bit		Volume sufficient to maintain a stable and clean wellbore

CASING PROGRAM:							
CasingString	Depth	Size	Casing Size	Grade, Thread	Weight	Landing Point	Cement
Surface/Conductor	200'	13 1/2"	9-5/8"	H-40 ST&C	32#		cmt to surface
Intermediate 1	3,378'	8-3/4"	7"	J/K-55 ST&C	20#	100' Below Lewis	cmt to surface
Production	7,626'	6-1/4"	4-1/2"	J-55	11.6#	DKOT	150' inside Intermediate - TOC survey required

CORING PROGRAM:	
None	

COMPLETION PROGRAM:	
Rigless, 2-3 Stage Limited Entry Hydraulic Frac, FMC Unihead	

GENERAL REMARKS:	
Notify BLM/NMOC 24 hours prior to Spud, BOP testing, and Casing and Cementing.	

BOP Pressure Testing Requirements			
Formation	Depth	Anticipated bottom hole pressure	Max anticipated surface pressure**
Cliffhouse	4,500'	500	0
Point Lookout	5,197'	600	0
Dakota	7,332'	2600	986.96
Requested BOP Pressure Test Exception = 1500 psi		** Note: Determined using the following formula: ABHP - (.22" TVD) = ASP	

Form 46 Reviewed by:	Logging program reviewed by:		
PREPARED BY:	APPROVED:	DATE:	APPROVED:
HGJ JMP		13-Apr-05	
Form 46 7-84bw	For Drilling Dept.		For Production Dept.

Cementing Program

Well Name: Elliott GC X 1E
 Location: 9-30N-9W : 1535' FNL, 1090' FEL
 County: San Juan
 State: New Mexico

Well Flac
 Formation: Blanco Mesaverde/Basin Dakota
 KB Elev (est) 6206
 GL Elev. (est) 6192

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	200	13.5	9.625	ST&C	Surface	NA	
Intermediate	3378	8.75	7	LT&C	Surface	NA	
Production -	7626	6.25	4.5	ST&C	3278	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	2270		1400	254	0.0787
Intermediate	7		20 K-55	3740		2270	234	0.0405
Production -	4.5		11.6 J-55	5350		4960	154	0.0155

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 minimize drillout.

Surface:

Preflush 20 bbl. FreshWater
 Slurry 1 154 sx Class C Cement 195 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

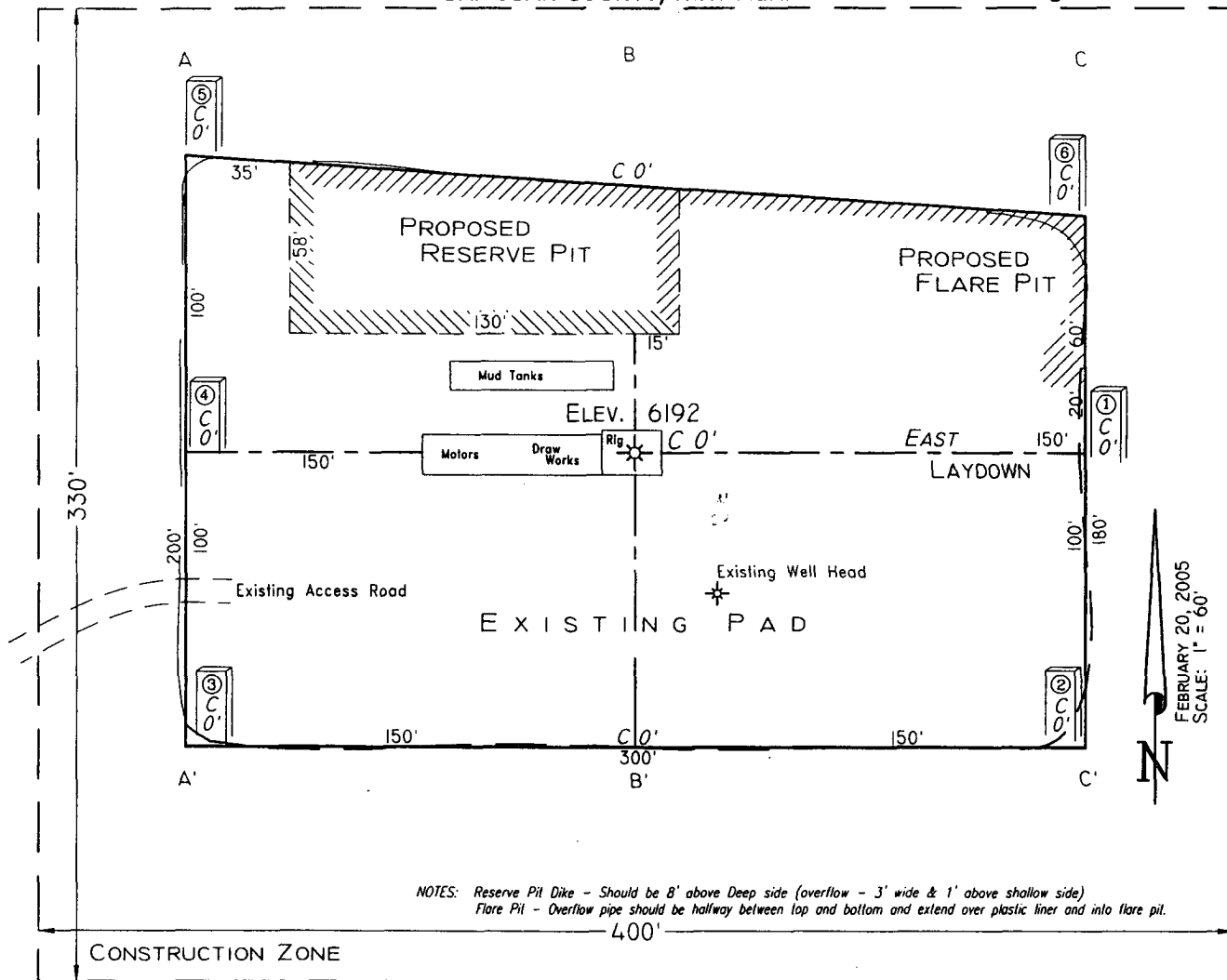
Casing Equipment:

- 9-5/8", 8R, ST&C
- 1 Guide Shoe
- 1 Top Wooden Plug
- 1 Autofill insert float valve
- Centralizers, as needed
- 1 Stop Ring
- 1 Thread Lock Compound

(OVER)

PAD LAYOUT PLAN & PROFILE
BP AMERICA PRODUCTION COMPANY
 Elliott Gas Com X # 1E
 1535' F/NL 1090' F/EL
 SEC. 9, T30N, R9W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

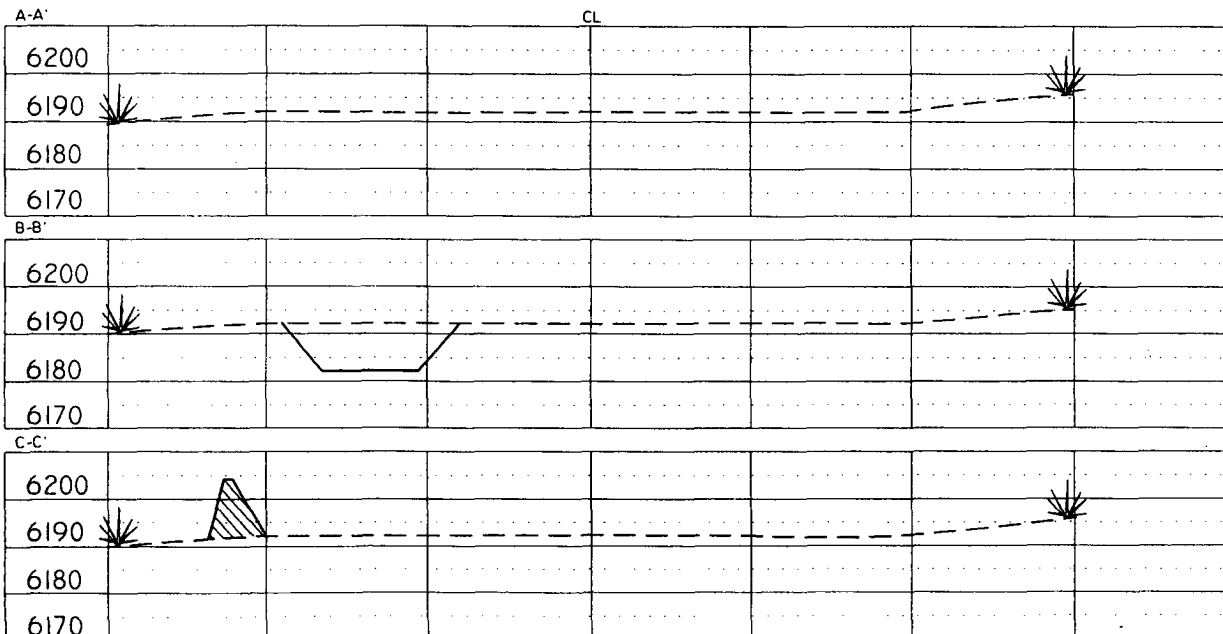
Lat: 36.8429°
 Long: 107.7808°
 Lat: 36°49'44"
 Long: 107°46'51"



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.

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 single 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", 2000 psi Single ram preventer with 3000 psi annular preventer and rotating head.

All ram type and annular preventers as well as related control equipment will be hydraulically tested to 250 psi (low pressure) and 1500 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

