

RCVD MAR9'07

OIL CONS. DIV.

DIST. 3

FORM APPROVED

OMB No. 1004-0136

Expires November 30, 2000

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

2006 NOV 28

5. Lease Serial No. SF- 078195

6. If Indian, Allottee or tribe Name

7. If Unit or CA Agreement, Name and No

070 FARMINGTON NM

1a. Type of Work: ☒ DRILL

☐ REENTER

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

2. Name of Operator

BP AMERICA PRODUCTION COMPANY

3a. Address

P.O. BOX 3092 HOUSTON, TX 77079-2064

3b. Phone No. (include area code)

281-366-3866

10. Field and Pool, or Exploratory

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

At surface 685' FSL & 1850' FWL SESW

At proposed prod. Zone SAME

14. Distance in miles and direction from nearest town or post office \*

6.9 MILES SOUTHEAST FROM AZTEC, NM

15. Distance from proposed \*

Location to nearest  
Property or lease line, ft.

(Also to nearest rig. Unit line, if any) 666'

16. No. of Acres in lease

301.28

17. Spacing Unit dedicated to this well

301.28

W/2

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.

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

Title

Regulatory Analyst

Approved by (Signature)

Name (Printed/Typed)

Date

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)

NOTIFY AZTEC OCD 24 hrs  
IN TIME TO WITNESS Csg & cement

NMOCD

B 3/14/07

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

2006 NOV 28 PM 2 17

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                     |   |   |
|-------------------------------------|---|---|
| 1 API Number<br><b>30-045-34085</b> | 2 Pool Code<br><b>71599 1/2 72319</b>                   | 3 Pool Name<br><b>Basin Dakota &amp; Blanco Mesaverde</b> |
| 4 Property Code<br><b>001039</b>    | 5 Property Name<br><b>Sellers LS</b>                    | 6 Well Number<br><b># 6E</b>                              |
| 7 OGRID No.<br><b>778</b>           | 8 Operator Name<br><b>BP AMERICA PRODUCTION COMPANY</b> | 9 Elevation<br><b>6097</b>                                |

10 Surface Location

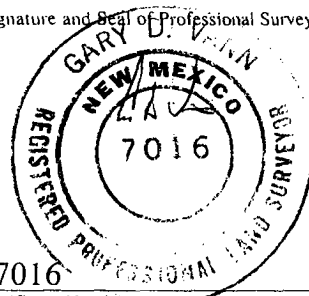
| UL or Lot No.     | Section   | Township    | Range       | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County          |
|-------------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|-----------------|
| <b>Lot 18 (N)</b> | <b>30</b> | <b>30 N</b> | <b>10 W</b> |         | <b>685</b>    | <b>SOUTH</b>     | <b>1850</b>   | <b>WEST</b>    | <b>SAN JUAN</b> |

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 |
|-----------------|---------|----------|-------|---------|---------------|------------------|---------------|------------------------|--------|
|                 |         |          |       |         |               |                  |               | <b>RCVD MAR 9 2007</b> |        |

|                                     |                    |                       |              |                       |
|-------------------------------------|--------------------|-----------------------|--------------|-----------------------|
| 12 Dedicated Acres<br><b>301.28</b> | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. | <b>OIL CONS. DIV.</b> |
|                                     |                    |                       |              | <b>DIST. 3</b>        |

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

|                |          |          |   |
|----------------|----------|----------|---|
| 16<br>1212'(R) | 1289'(R) | 2577'(R) | 17 OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.<br><br><i>Kristina Hurts</i><br>Signature<br><b>KRISTINA HURTS</b><br>Printed Name<br><b>Regulatory Analyst</b><br>Title<br><b>11-27-06</b><br>Date  |
| Lot 8          | Lot 7    | Lot 6    | Lot 5   |
| Lot 9          | Lot 10   | Lot 11   | Lot 12  |
| 5236'(R)       | 30       | 5217'(R) | 18 SURVEYOR CERTIFICATION<br>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.<br><b>Restaked: October 26, 2006</b><br><b>June 15, 2006</b><br>Date of Survey<br>Signature and Seal of Professional Surveyor<br><br>7016<br>Certificate Number |
| Lot 16         | Lot 15   | Lot 14   | Lot 13  |
| Lot 17         | Lot 18   | Lot 19   | Lot 20  |
| 1850'          | 685'     | 2607'(R) |   |
| 1212'(R)       | 1304'(R) |          |   |

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

Form C-103  
May 27, 2004

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

|  |
|--|
| WELL API NO. <u>30-045-34085</u><br><u>New Well</u>                                      |
| 5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.   |
| 7. Lease Name or Unit Agreement Name<br><b>Sellers LS</b>                                |
| 8. Well Number<br><b>6E</b>  |
| 9. OGRID Number<br><b>000778</b>   |
| 10. Pool name or Wildcat<br><b>Basin Dakota &amp; Blanco Mesaverde</b>                   |

|  |  |
|--|--|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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.)              |  |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>   |  |
| 2. Name of Operator<br><b>BP AMERICA PRODUCTION COMPANY</b>  |  |
| 3. Address of Operator<br><b>P.O. BOX 3092 HOUSTON, TX 77079-2064</b>  |  |
| 4. Well Location<br>Unit Letter <u>N</u> : <u>685</u> feet from the <u>South</u> line and <u>1850</u> feet from the <u>West</u> line<br>Section <u>30</u> Township <u>30N</u> Range <u>10W</u> NMPM <u>SAN JUAN</u> County |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br><u>6097'</u>   |  |
| Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>  |  |
| Pit type <u>DRILLING</u> Depth to Groundwater <u>&gt;100'</u> Distance from nearest fresh water well <u>&gt;1000'</u> Distance from nearest surface water <u>&gt;1000'</u>   |  |
| Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material _____  |  |

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

|  |   |  |  |
|--|---|--|--|
| <b>NOTICE OF INTENTION TO:</b>                                       |   | <b>SUBSEQUENT REPORT OF:</b>                     |  |
| PERFORM REMEDIAL WORK <input type="checkbox"/>                       | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/>           | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/>                         | CHANGE PLANS <input type="checkbox"/>     | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/>         |
| PULL OR ALTER CASING <input type="checkbox"/>                        | MULTIPLE COMPL <input type="checkbox"/>   | CASING/CEMENT JOB <input type="checkbox"/>       |  |
| OTHER: <b>LINED DRILLING PIT</b> <input checked="" type="checkbox"/> |   | OTHER: <input type="checkbox"/>                  |  |

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.

**Construct a lined drilling pit per BP America – San Juan Basin Drilling/ Workover Pit Construction Plan issued date of 11/17/2004. 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 ☐.

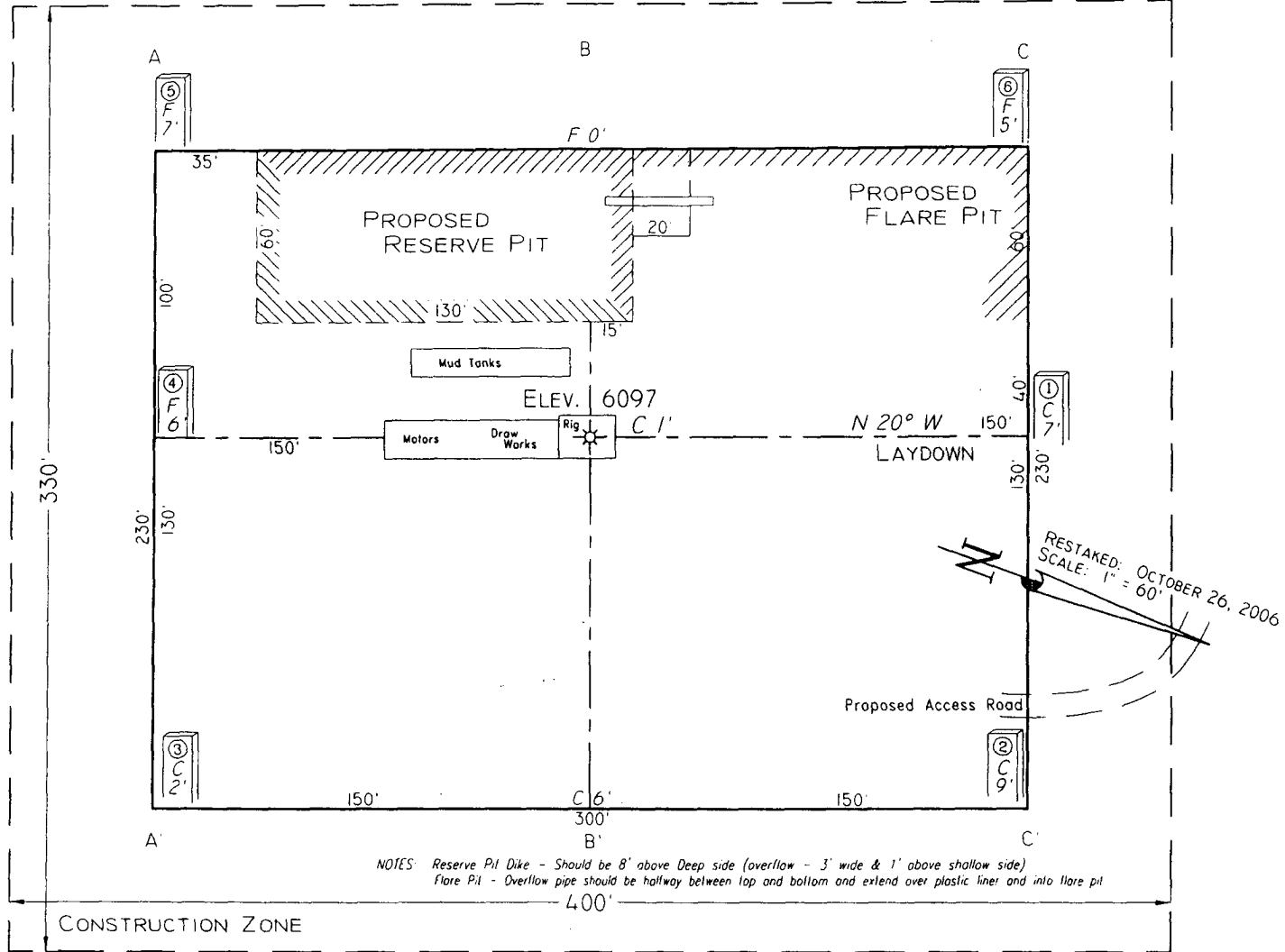
SIGNATURE Kristina Hurts TITLE Regulatory Analyst DATE 11/27/06

Type or print name Kristina Hurts E-mail address: hurtk0@bp.com Telephone No. 281-366-3866  
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 8 DATE MAR 14 2007  
Conditions of Approval (if any):

**PAD LAYOUT PLAN & PROFILE**  
**BP AMERICA PRODUCTION COMPANY**  
 Sellers LS # 6E  
 685' F/SL 1850' F/WL  
 SEC. 30, T30N, R10W, N.M.P.M.  
 SAN JUAN COUNTY, NEW MEXICO

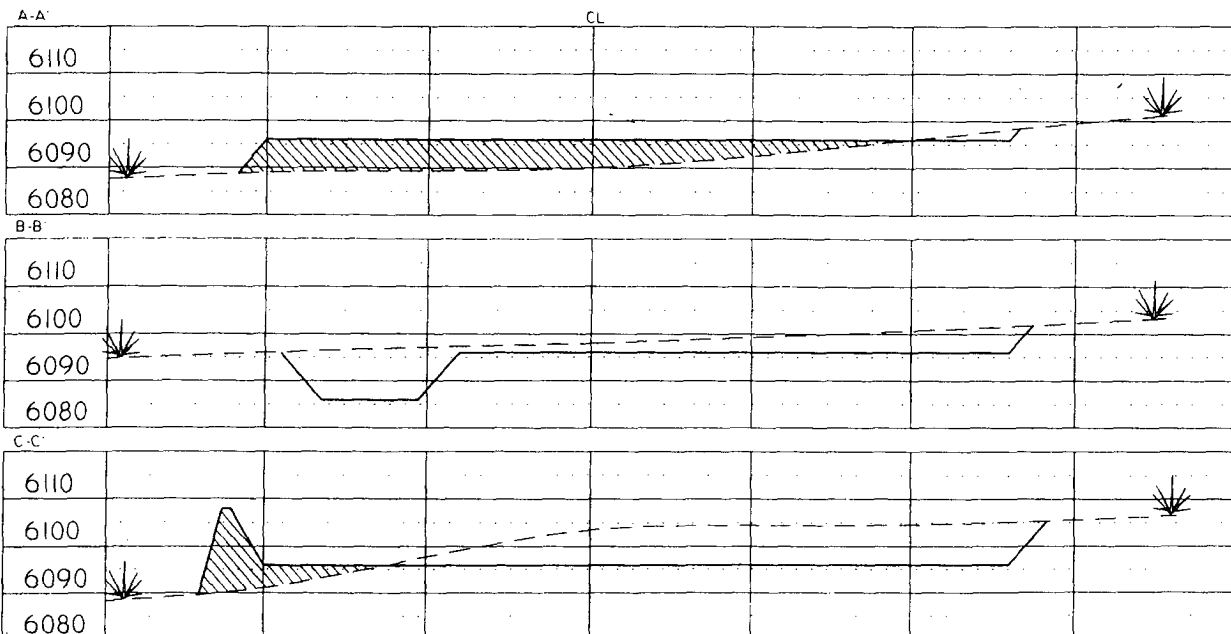
Lat: 36.77751°  
 Long: 107.92751° (83)



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

# BP AMERICA PRODUCTION COMPANY

## DRILLING AND COMPLETION PROGRAM

7/19/2006 Modified 11/13/2006

|                  |                      |                            |  |               |                               |
|------------------|----------------------|----------------------------|--|---------------|-------------------------------|
| <b>Lease:</b>    | Sellers LS           | <b>Well Name &amp; No.</b> | Sellers LS #6E                               | <b>Field:</b> | Blanco Mesaverde/Basin Dakota |
| <b>County:</b>   | San Juan, New Mexico | <b>Surface Location:</b>   | 30-30N-10W: 685' FSL, 1850' FWL              |               |                               |
| <b>Minerals:</b> | State                | <b>Surface:</b>            | Lat: 36.77741704 deg; Long: -107.9270061 deg |               |                               |
| <b>Rig :</b>     | Aztec 184            | <b>BH Location:</b>        | same   |               |                               |

**OBJECTIVE:** Drill 240' below the top of the Two Wells Mbr, set 4-1/2" production liner, Stimulate DK, MF, and PL intervals.

| METHOD OF DRILLING  |                            | APPROXIMATE DEPTHS OF GEOLOGICAL MARKER |          |                |            |
|---|----------------------------|---|----------|----------------|------------|
| TYPE OF TOOLS   | DEPTH OF DRILLING          | Actual GL:                              | 6097     | Estimated KB:  | 6,111.0'   |
| Rotary  | 0 - TD                     | Marker                                  |          | SUBSEA         | TVD        |
| <b>LOG PROGRAM</b>  |                            |   |          |                | APPROX. MD |
| <b>Type</b>   | <b>Depth Interval</b>      | Ojo Alamo                               | 4,968'   | 1,143'         | 1,143'     |
| Single Run  |                            | Kirtland                                | 4,796'   | 1,315'         | 1,315'     |
|   |                            | Fruitland                               | * 4,177' | 1,934'         | 1,934'     |
|   |                            | Fruitland Coal                          | * 3,882' | 2,229'         | 2,229'     |
|   |                            | Pictured Cliffs                         | * 3,596' | 2,515'         | 2,515'     |
|   |                            | Lewis                                   | * 3,399' | 2,712'         | 2,712'     |
| Cased Hole  | TD to 7" shoe              | Cliff House                             | # 2,044' | 4,067'         | 4,067'     |
| RST- CBL  |                            | Menefee                                 | # 1,773' | 4,338'         | 4,338'     |
|   |                            | Point Lookout                           | # 1,296' | 4,815'         | 4,815'     |
|   | Identify 4 1/2" cement top | Mancos                                  | 895'     | 5,216'         | 5,216'     |
| <b>REMARKS:</b><br><br>The recommended TD is intended to penetrate the ENCN (~50') in order to evaluate, and possibly produce it. Offsetting wells encountered no water flow at this depth. See attached cross-section.<br><br>The intermediate casing should be set 100 ft. into the MENF to minimize the risks encountered drilling through the possibly water productive CLFH. |                            | Greenhorn                               | -910'    | 7,021'         | 7,021'     |
|   |                            | Graneros (bent,mkr)                     | -971'    | 7,082'         | 7,082'     |
|   |                            | Two Wells                               | # -789'  | 6,900'         | 6,900'     |
|   |                            | Paguate                                 | # -862'  | 6,973'         | 6,973'     |
|   |                            | Cubero                                  | # -921'  | 7,032'         | 7,032'     |
|   |                            | L. Cubero                               | # -946'  | 7,057'         | 7,057'     |
|   |                            | Encinal Cyn                             | # -977'  | 7,088'         | 7,088'     |
|   |                            |   |          |                |            |
|   |                            | <b>TOTAL DEPTH:</b>                     | -1,029'  | 7,140'         | 7,140'     |
|   |                            | # Probable completion interval          |          | * Possible Pay |            |

| SPECIAL TESTS   |  | DRILL CUTTING SAMPLES |              | DRILLING TIME |        |
|-----------------|--|-----------------------|--------------|---------------|--------|
| TYPE            |  | FREQUENCY             | DEPTH        | FREQUENCY     | DEPTH  |
| None            |  | 30'/10' intervals     | 4,438' to TD | Geologist     | 0 - TD |
| <b>REMARKS:</b> |  |                       |              |               |        |

| MUD PROGRAM: |            |           |                           |         |   |
|--------------|------------|-----------|---------------------------|---------|---|
| Interval     | TypeMud    | #/gal     | Vis, sec/qt               | /30 min | Other Specification                                       |
| 200'         | Spud       | 8.8 - 9.0 | Sufficient to clean hole. |         |   |
| 4,438'       | Water/LSND | 8.4 - 9.0 |                           | <9      | Sweep hole while whilst water drilling, LCM onsite        |
| 7,140'       | Air        | 1         | 1000 cfm for hammer       |         | 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      | 0' - 4000'    | 8-3/4"  | 7"          | J/K-55 ST&C   | 20#    |                 |  |
| Intermediate      | 4000' - 4438' | 8 3/4"  | 7"          | N-80 ST&C     | 23#    | 100' below MENF | cmt to surface                                 |
| Production        | 7,140'        | 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/NMOCDD 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                        | 4,067' | 500                              | 0                                  |
| Point Lookout                     | 4,815' | 600                              | 0                                  |
| Dakota                            | 6,900' | 2600                             | 1082                               |

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: |                           |                      |
| <b>PREPARED BY:</b>  | <b>APPROVED:</b>             | <b>DATE:</b>              | <b>APPROVED:</b>     |
| HGJ                  | JMP/GGZ                      | 19/2006 Modified 11/13/20 |                      |
| Form 46 7-84bw       | For Drilling Dept.           |                           | For Production Dept. |

# Cementing Program

Well Name: Sellers LS #6E  
 Location: 30-30N-10W: 685' FSL, 1850' FWL  
 County: San Juan  
 State: New Mexico

Well Flac: Blanco Mesaverde/Basin Dakota  
 Formation: Blanco Mesaverde/Basin Dakota  
 KB Elev (est) 6111  
 GL Elev. (est) 6097

## Casing Program:

| Casing String | Est. Depth<br>(ft.) | Hole Size<br>(in.) | Casing Size<br>(in.) | Thread | TOC<br>(ft.) |
|---------------|---------------------|--------------------|----------------------|--------|--------------|
| Surface       | 200                 | 13.5               | 9.625                | ST&C   | Surface      |
| Intermediate  | 4438                | 8.75               | 7                    | ST&C   | Surface      |
| Production -  | 7140                | 6.25               | 4.5                  | ST&C   | 4288         |

## Casing Properties:

(No Safety Factor Included)

| Casing String | Size<br>(in.) | Weight<br>(lb/ft) | Grade | Burst<br>(psi.) | Collapse<br>(psi.) |
|---------------|---------------|-------------------|-------|-----------------|--------------------|
| Surface       | 9.625         | 32                | H-40  | 2270            | 1400               |
| Intermediate  | 7             | 20                | K-55  | 3740            | 2270               |
| Intermediate  | 7             | 23                | N80   | 6340            | 3830               |
| Production -  | 4.5           | 11.6              | J-55  | 5350            | 4960               |

## Mud Program

| Apx. Interval<br>(ft.) | Mud Type     | Mud Weight | Recommended Mud Properties Prio Cementing: |     |
|------------------------|--------------|------------|--|-----|
|                        |              |            | PV   | <20 |
|                        |              |            | YP   | <10 |
|                        |              |            | Fluid Loss                                 | <15 |
| 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  |  |     |

## 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.                              | Fresh Water |                   |
| Slurry 1    | 154 sx Class C Cement                |             | 195 cuft          |
| TOC@Surface | + 2% CaCl <sub>2</sub> (accelerator) |             |                   |
|             |                                      |             | 0.4887 cuft/ft OH |

| Slurry Properties: | Density<br>(lb/gal) | Yield<br>(ft <sup>3</sup> /sk) | Water<br>(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

# Cementing Program

1 Stop Ring  
1 Thread Lock Compound

## Intermediate:

|                    |   |                             |                        |
|--------------------|---|-----------------------------|------------------------|
| Fresh Water        | 20 bbl  | fresh water                 |                        |
| Lead               |   | 387 sx Class "G" Cement     | 1018 cuft              |
| Slurry 1           |   | + 3% D79 extender           |                        |
| TOC@Surface        |   | +1/4 #/sk. Cellophane Flake |                        |
|                    |   | + 5 lb/sk Gilsonite         |                        |
| Tail               |   | 59 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   | Yield                       | Water                  |
|                    | (lb/gal)  | (ft3/sk)                    | (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 as needed                            |                             |                        |
|                    | 1 Top Rubber Plug                                 |                             |                        |
|                    | 1 Thread Lock Compound                            |                             |                        |

## Production:

|                         |   |                                 |                   |
|-------------------------|---|---------------------------------|-------------------|
| Fresh Water             | 10 bbl  | CWf100                          |                   |
| Lead                    |   | 99 LiteCrete D961 / D124 / D154 | 249 cuft          |
| Slurry 1                |   | + 0.03 gps D47 antifoam         |                   |
| TOC, 400' above 7" shoe |   | + 0.5% D112 fluid loss          |                   |
|                         |   | + 0.11% D65 TIC                 |                   |
| Tail                    |   | 142 sx 50/50 Class "G"/Poz      | 205 cuft          |
| Slurry 2                |   | + 5% D20 gel (extender)         |                   |
| 1424 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   | Yield                           | Water             |
|                         | (lb/gal)  | (ft3/sk)                        | (gal/sk)          |
| Slurry 1                | 9.5   | 2.52                            | 6.38              |
| Slurry 2                | 13  | 1.44                            | 6.5               |
|                         |   |                                 | Top of Mancos     |
|                         |   |                                 | 5216              |
| 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, as needed                           |                                 |                   |
|                         | 1 Top Rubber Plug                                 |                                 |                   |
|                         | 1 Thread Lock Compound                            |                                 |                   |

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

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**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**

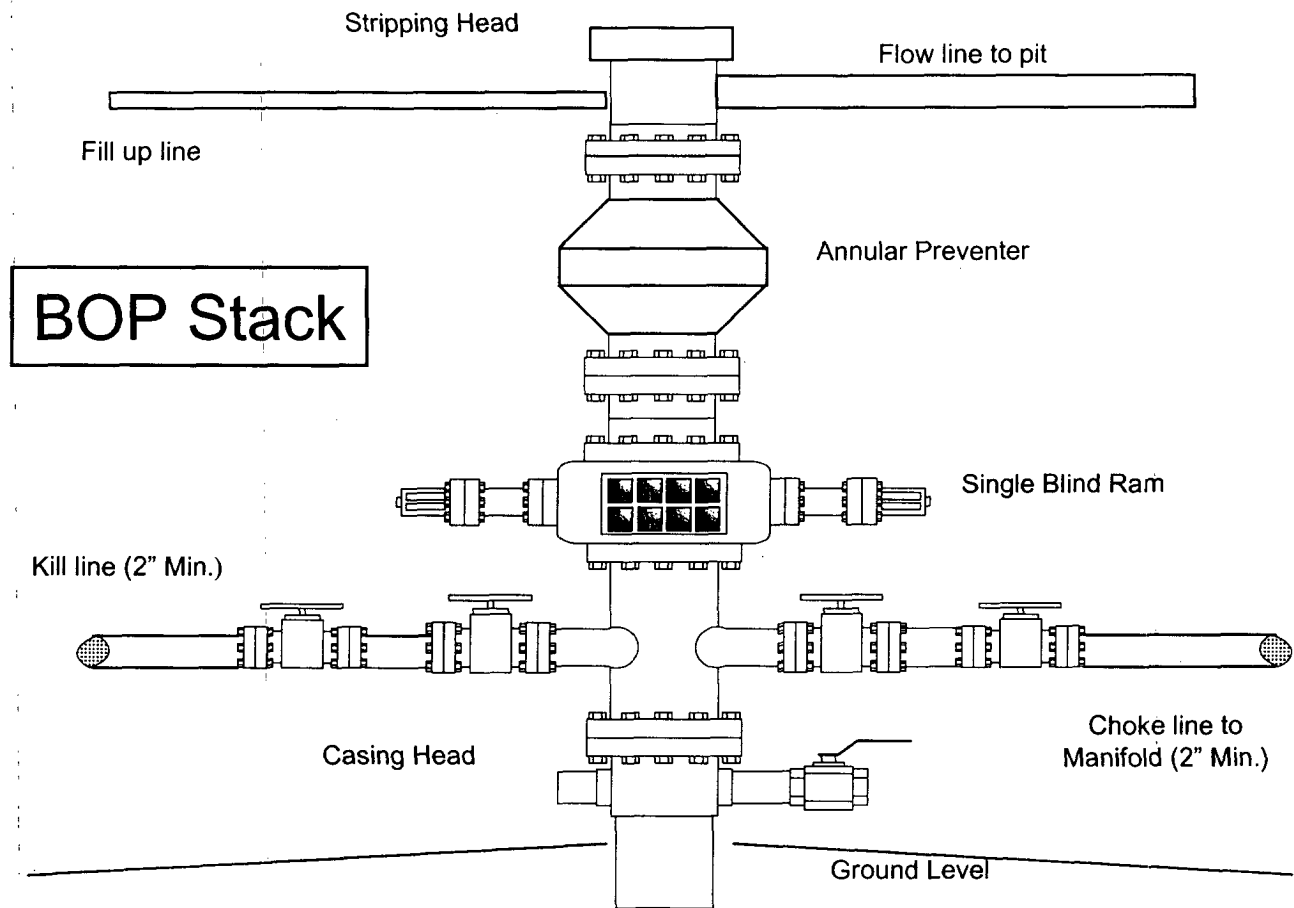
**BOP Equipment**

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.

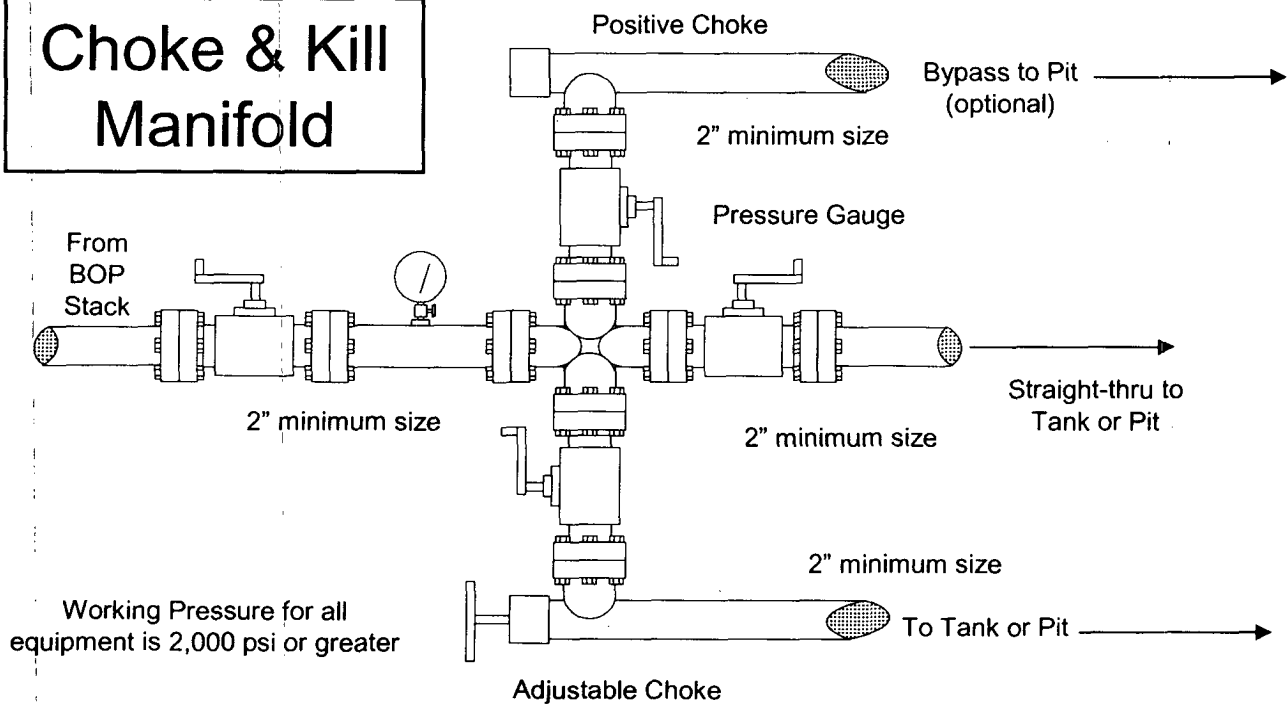


# BP American Production Company

## Well Control Equipment Schematic



### Choke & Kill Manifold



**Additional Operator Remarks**  
**Sellers LS 6E**  
**APD**

**NOTICE OF STAKING WAS SUBMITTED ON 11/07/06**

BP America Production Company respectfully requests permission to drill the subject well to a total depth of approximately 7140' MD. 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 +/- 2000 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**