

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

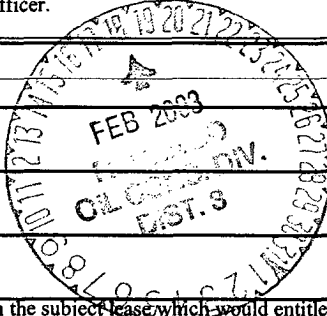
1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF - 081098-A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator BP AMERICA PRODUCTION COMPANY		7. If Unit or CA Agreement, Name and No.
Contact: MARY CORLEY E-Mail: corleyml@bp.com		8. Lease Name and Well No. FLORANCE L 4S
3a. Address P.O. BOX 3092 HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 281.366.4491 Fx: 281.366.0700	9. API Well No. 3004531377
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESE Lot P 1250FSL 850FEL 36.50200 N Lat, 107.45700 W Lon At proposed prod. zone		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* 17 MILES TO AZTEC, NEW MEXICO		11. Sec., T., R., M., or Blk. and Survey or Area Sec 3 T30N R9W Mer NMP P
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 850	16. No. of Acres in Lease 321.38	12. County or Parish SAN JUAN
17. Spacing Unit dedicated to this well 321.38 E/2	18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 75', FLORANCE L 19A LOCATED ON SAME DRILL 2860RAD.	13. State NM
19. Proposed Depth 2860RAD.	20. BLM/BIA Bond No. on file WY2924	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5995 GL	22. Approximate date work will start 04/06/2003	23. Estimated duration 3 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 (Electronic Submission)	Name (Printed/Typed) MARY CORLEY	Date 02/05/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) /s/ David J. Mankiewicz	Name (Printed/Typed)	Date FEB 13 2003
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.

Additional Operator Remarks (see next page)

Electronic Submission #18322 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 3165.8 and appeal pursuant to 43 CFR 3165.4

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

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **

NMOCD

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 30-045-31377	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 000545	⁵ Property Name Florance L	⁶ Well Number # 4S
⁷ OGRID No. 000778	⁸ Operator Name BP AMERICA PRODUCTION COMPANY	⁹ Elevation 5995

¹⁰ Surface Location

UL or Lot No. P	Section 3	Township 30 N	Range 9 W	Lot Idn	Feet from the 1250	North/South line SOUTH	Feet from the 850	East/West line EAST	County SAN JUAN
--------------------	--------------	------------------	--------------	---------	-----------------------	---------------------------	----------------------	------------------------	--------------------

¹¹ Bottom Hole Location If Different From Surface

¹² UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
321.38									
¹³ Dedicated Acres	¹⁴ Joint or Infill	¹⁵ Consolidation Code	¹⁶ Order No.						

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	²⁶³ (R)	²⁶³ (R)	²⁶³ (R)	¹⁷ OPERATOR CERTIFICATION
Lot 4	Lot 3	Lot 2	Lot 1	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
1366 (R)		40.88	40.50	Signature Mary Carey
				Printed Name Mary Carey
1307 (R)				Title Sr. Regulatory Analyst
				Date 12.19.2002
				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.
				November 17, 2002
				Date of Survey
				Signature and Seal of Professional Surveyor
				GARY D. VANN
				NEW MEXICO
				REGISTERED PROFESSIONAL LAND SURVEYOR
				7016
				Certificate Number

(R) - BLM Record

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

Prospect Name: Florance L
Lease: Florance

Well No: 4S
Surface Location: Section 3P, T30N, R09W; 1250'
FSL, 850' FEL
Field: Basin Fruitland Coal

County: San Juan
State: New Mexico
Date: January 20, 2003

OBJECTIVE: Drill to TD of 2850' md, set 7" casing and perf and frac the Fruitland Coal interval.

METHOD OF DRILLING		APPROXIMATE DEPTHS OF GEOLOGICAL MARKER			
TYPE OF TOOLS	DEPTH OF DRILLING	Estimated GL: 5995		Estimated KB: 6007	
Rotary	0 - 2850'				
LOG PROGRAM		MARKER		SUBSEA	MEAS. DEPTH
		Ojo Alamo		4535	1460
		Kirtland		4392	1603
		Fruitland			
		Fruitland Coal	*	3410	2585
		Pictured Cliffs	*	3225	2770
TYPE	DEPTH INVERAL				
<u>OPEN HOLE</u>					
Run 3-detector Litho-Density. (see Remarks section below).		TD up to minimum charge.			
<u>CASED HOLE</u>					
REMARKS:					
- Primary presentation is Bulk Density Presentation (5"=100') with <1.75 g/cc shaded as coal. High resolution pass across the Fruitland interval only. Three final prints to Dan Crosby in Houston. Customer LAS file to Bill Pelzmann in Houston - PELZMANN@BP.COM					
		TOTAL DEPTH		3145	2850
		# Probable completion interval		* Possible Pay	
SPECIAL TESTS		DRILL CUTTING SAMPLES		DRILLING TIME	
TYPE		FREQUENCY	DEPTH	FREQUENCY	DEPTH
None		none		Geolograph	0-2850'
REMARKS: Obtain reservoir pressures by individual coal seam before starting production.					

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 - 2850 (1)	Water/LSND	8.6-9.2		<6	
	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"			12.5"	1
Intermediate	2850	7"			8.75"	1
Production						

REMARKS:
(1) Circulate Cement to Surface

CORING PROGRAM:
None

COMPLETION PROGRAM:
Rigless, Single Stage Limited Entry Hydraulic Frac
GENERAL REMARKS:
Notify BLM/NMOCDD 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: _____

BP America Production Company BOP Pressure Testing Requirements

Well Name: Florance L
County: San Juan

4S
State: New Mexico

Formation	TVD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	1460		
Kirtland	1603		
Fruitland Coal	2585	500	0
PC	2770	1200	590
Lewis Shale			
Cliff House			
Menefee Shale			
Point Lookout			
Mancos			
Dakota			

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

Requested BOP Pressure Test Exception: 850 psi

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

Background

The objective Fruitland Coal 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.