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 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL

| 31 | Operator Name and Address SP AMERICA PRODUCTION COMPANY | | | | | |
|---------------------------------|---|------------------|--|--|--|--|
| PO Box 3092 Houston, TX 7725 | | | | | | |
| Property Code 686 | Property Name HOUCK GAS COM C | Well No. 001M | | | | |

Surface Location

| UL or Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-----------|---------|----------|-------|---------|-----------|----------|-----------|----------|----------|
| Α | 6 | 29N | 09W | | 735 | N | 745 | Е | San Juan |

Proposed Pools

BASIN DAKOTA (PRORATED GAS) 71599 BLANCO-MESAVERDE (PRORATED GAS) 72319

| Work Type New Well | Well Type Gas | Cable/Rotary | Lease Type Private | Ground Level Elevation 5688 | |
|-----------------------|------------------------|-----------------------------|-----------------------|-----------------------------|--|
| Multiple Y | Proposed Depth 6805 | Formation Dakota Formation | Contractor | Spud Date 07/15/2003 | |

Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 13.5 | 9.625 | 32 | 120 | 110 | 0 |
| Int1 | 8.75 | 7 | 20 | 2522 | 260 | 0 |
| Prod | 6.25 | 4.5 | 11.6 | 6805 | 340 | 2422 |

Proposed Blowout Prevention Program

| | Туре | Working Pressure | Test Pressure | Manufacturer |
|--------------|------------|------------------|---------------|--------------|
| 18601 134177 | Double Ram | 2000 | | |

| I hereby certify that the information given above is true and | | | OIL CONSERVATION DIVISION | | | | |
|---|---------------------|---|---|--|--|--|--|
| complete to the best of my knowledge and belief. | | | Electronically Approved By: Charlie Perrin | | | | |
| Electronically Signed I | By: Mary Corley | | Title: Manager | | | | |
| Title: Manager | | | Approval Date: 05/12/2003 Expiration Date: 05/12/2004 | | | | |
| Date: 05/08/2003 | Phone: 281-366-4491 | | Conditions of Approval: | | | | |
| | | - | No Conditions | | | | |

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Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number 30-045-31665 | Pool Name BASIN DAKOTA (PRORATED GAS) | Pool Code 71599 |
|----------------------------|---|--------------------|
| Property Code 686 | Property Name HOUCK GAS COM C | Well No. 001M |
| OGRID No. 778 | Operator Name BP AMERICA PRODUCTION COMPANY | Elevation 5688 |

Surface And Bottom Hole Location

| UL or Lot | Section 6 | Township 29N | Range 09W | Lot Idn | Feet From 735 | N/S Line N | Feet From 745 | E/W Line E | County San Juan |
|---------------------|--------------|-----------------|--------------|----------|------------------|---------------|------------------|---------------|--------------------|
| Dedicated Acres 264 | | Joint or | · Infill | Consolid | dation Code | | Order | No. | |

| | 100 mg/mm | |
|--|-----------|--|
| | | |
| | | |

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Mary Corley

Title: Manager
Date: 05/08/2003

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.

Surveyed By: Gary Vann
Date of Survey: 04/21/2003
Certificate Number: 7016

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WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number 30-045-31665 | Pool Name BLANCO-MESAVERDE (PRORATED GAS) | Pool Code 72319 |
|-------------------------|--|--------------------|
| Property Code 686 | Property Name HOUCK GAS COM C | Well No. 001M |
| OGRID No. 778 | Operator Name BP AMERICA PRODUCTION COMPANY | Elevation 5688 |

Surface And Bottom Hole Location

| UL or Lot A | Section 6 | Township 29N | Range 09W | Lot Idn | Feet From 735 | N/S Line N | Feet From 745 | E/W Line E | County San Juan |
|----------------|---------------------|-----------------|--------------|----------|------------------|---------------|------------------|---------------|--------------------|
| i | Dedicated Acres 264 | | Infill | Consolid | dation Code | | Order | No. | |

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