<u>District I</u>

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, NIM

87505

State of New Mexico

Energy, Minerals and Natural Resources

Form C-101

Permit 7005

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL

| BP AMERICA PRODUCTION | OGRID Number 778 | | |
|-----------------------|---------------------|--|--|
| PO Box 3092 | PO Box 3092 | | |
| Houston, TX 77253 | Houston, TX 77253 | | |
| Property Code | Well No. | | |
| 911 | 009B | | |

Surface Location

| UL or Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-----------|---------|----------|-------|---------|-----------|----------|-----------|----------|----------|
| Н | 3 | 31N | 11W | Н | 2280 | N | 760 | E | San Juan |

Bottom Holes

| Pool: BLANCO-MESAVERDE (PRORATED GAS) 72319 | | | | | | | | | |
|---|---|-----|-----|---|------|---|-----|---|----------|
| UL or Lot Section Township Range Lot Idn Feet From N/S Line Feet From E/W Line County | | | | | | | | | |
| Н | 3 | 31N | 11W | H | 2090 | И | 950 | E | San Juan |

| Work Type | Well Type | Cable/Rotary | Lease Type | Ground Level Elevation |
|-----------|----------------|------------------|------------|------------------------|
| New Well | GAS | | Private | 5985 |
| Multiple | Proposed Depth | Formation | Contractor | Spud Date |
| N | 5372 | Mesa Verde Group | | 03/22/2005 |

Proposed Casing and Cement Program

| Туре | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 13.5 | 9.625 | 32 | 200 | 154 | 0 |
| Int1 | 8.75 | 7 | 20 | 2362 | 347 | 0 |
| Int2 | 6.25 | 4.5 | 11.6 | 5372 | 181 | 2212 |

Proposed Blowout Prevention Program

| Туре | Working Pressure | Test Pressure | Mamufacturer |
|---------|------------------|---------------|--------------|
| Annular | 2000 | 1500 | |

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

Electronically Signed By: Mary Corley

Title: Manager

Date: 02/16/2005 Phone: 281-366-4491

OIL CONSERVATION DIVISION

Electronically Approved By: Charlie Perrin

Title: Manager

Approval Date: 02/24/2005 Expiration Date: 02/24/2006

Conditions of Approval:

There are conditions. See Attached.