

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, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address BP AMERICA PRODUCTION COMPANY PO BOX 22048 TULSA, OK 74121		2. OGRID Number 778
		3. API Number 30-045-33560
4. Property Code 910	5. Property Name MUDGE GAS COM D	6. Well No. 001M

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	12	31N	11W	J	1490	S	1975	E	SAN JUAN

8. Pool Information

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

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 5886
14. Multiple Y	15. Proposed Depth 7385	16. Formation Dakota Formation	17. Contractor	18. Spud Date 3/15/2006
Depth to Ground water 100		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 3000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	13.5	9.625	32	200	154	0
Int1	8.75	7	20	3026	305	0
Prod	6.25	4.5	11.5	7385	344	2876

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Mary Corley	Approved By: Charlie Perrin
Title: Manager	Title: District Supervisor
Email Address: corleyml@bp.com	Approved Date: 2/3/2006 Expiration Date: 2/3/2007
Date: 1/27/2006 Phone: 281-366-4491	Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 22251

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33560	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 910	5. Property Name MUDGE GAS COM D	6. Well No. 001M
7. OGRID No. 778	8. Operator Name BP AMERICA PRODUCTION COMPANY	9. Elevation 5886

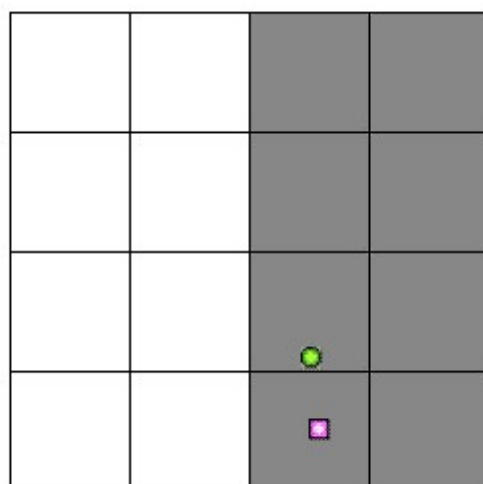
10. Surface Location

UL - Lot J	Section 12	Township 31N	Range 11W	Lot Idn	Feet From 1490	N/S Line S	Feet From 1975	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot O	Section 12	Township 31N	Range 11W	Lot Idn O	Feet From 710	N/S Line S	Feet From 1900	E/W Line E	County SAN JUAN
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code			15. 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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Mary Corley

Title: Manager

Date: 1/27/2006

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: 11/16/2005

Certificate Number: 7016

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Form C-102
 Permit 22251

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33560	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 910	5. Property Name MUDGE GAS COM D	6. Well No. 001M
7. OGRID No. 778	8. Operator Name BP AMERICA PRODUCTION COMPANY	9. Elevation 5886

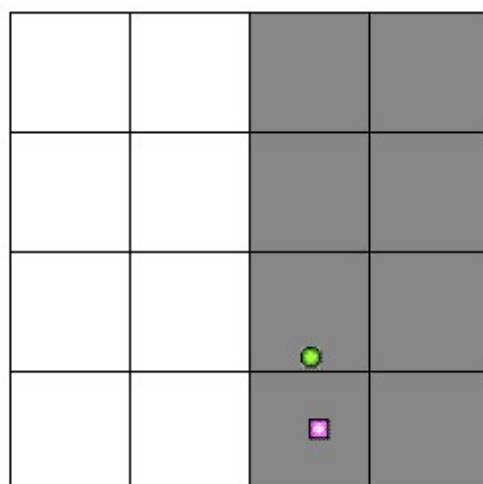
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Surveyed By: Gary Vann

Date of Survey: 11/16/2005

Certificate Number: 7016

Permit Comments

Operator: BP AMERICA PRODUCTION COMPANY , 778

Well: MUDGE GAS COM D #001M

API: 30-045-33560

Created By	Comment	Comment Date
CHLAVA	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.	1/27/2006
CHLAVA	No water wells in area. >1000' to fresh water & >1000' to surface water.	1/27/2006

Permit Conditions of Approval

Operator: BP AMERICA PRODUCTION COMPANY , 778

Well: MUDGE GAS COM D #001M

API: 30-045-33560

OCD Reviewer	Condition
SHAYDEN	Will require a directional survey with the C-104