

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

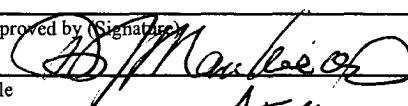
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-06106 NMSF-080601
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: CHERRY HLAVA E-Mail: hlavaci@bp.com		8. Lease Name and Well No. FEDERAL GAS COM # 1
3a. Address HOUSTON, TX 77253-3092	3b. Phone No. (include area code) Ph: 281-366-4081	9. API Well No. 30-045-32876
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENW 845FNL 2090FWL 36.81694 N Lat, 107.96250 W Lon At proposed prod. zone NENW 845FNL 2090FWL 36.81694 N Lat, 107.96250 W Lon		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* 1.8 MILES E. FROM AZTEC, NM (INSIDE CITY LIMITS)		11. Sec., T., R., M., or Blk. and Survey or Area C Sec 14 T30N R11W Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 845	16. No. of Acres in Lease 315.55	12. County or Parish SAN JUAN
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 2483 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5869 GL	22. Approximate date work will start 03/04/2005	17. Spacing Unit dedicated to this well 315.55 N2
20. BLM/BIA Bond No. on file WY2924		23. Estimated duration 6

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CHERRY HLAVA Ph: 281-366-4081	Date 02/03/2005
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed)	Date 7-5-05
Title AFM	Office PFO	

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 #53745 verified by the BLM Well Information System
For BP AMERICA PRODUCTION COMPANY, sent to the Farmington

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

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

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

API Number 30045-32876	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 501	Property Name Federal Gas Com	Well Number # 1
OGRID No. 000778	Operator Name BP AMERICA PRODUCTION COMPANY	Elevation 5869

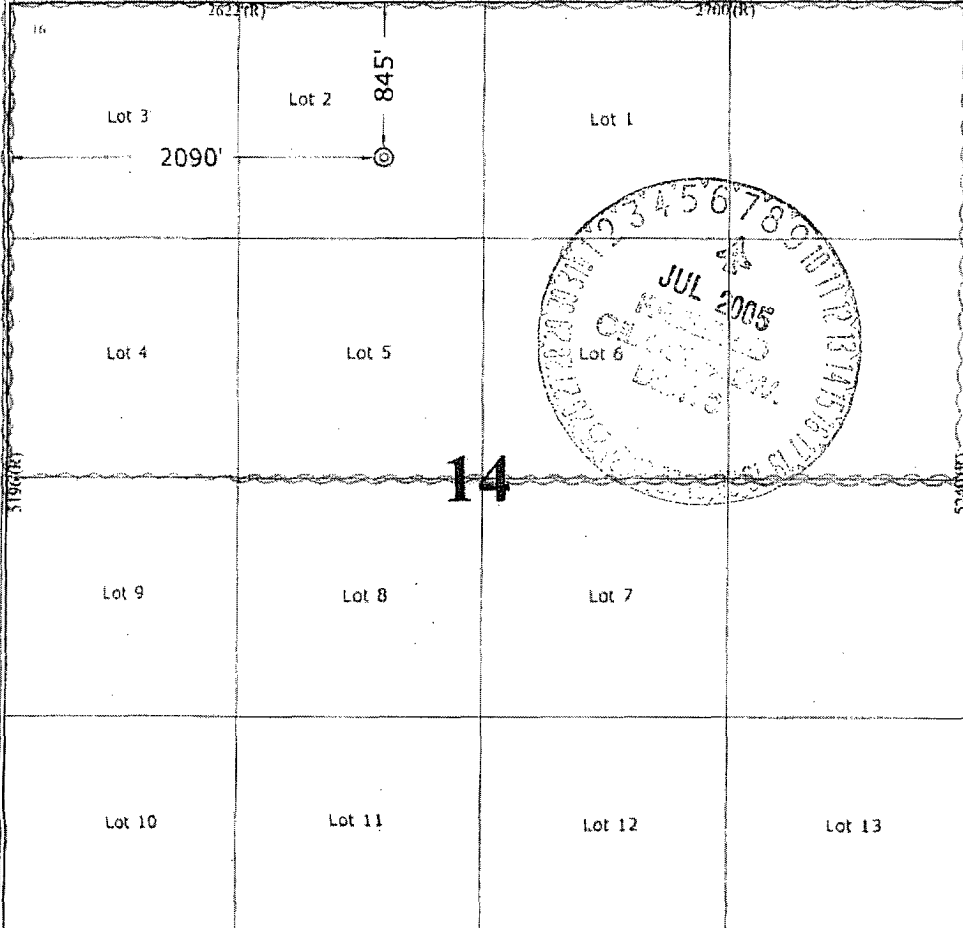
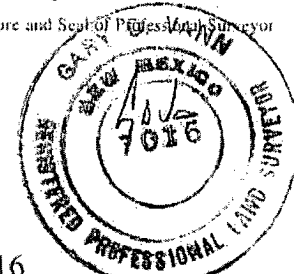
¹⁰ Surface Location

UL or Lot No. Lot 2 (C)	Section 14	Township 30 N	Range 11 W	Lot Idn	Feet from the 845	North/South line NORTH	Feet from the 2090	East/West line WEST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 315.55	Joint or Infill	Consolidation Code	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

						<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cherry Hlava</i> Signature Cherry Hlava Printed Name Regulatory Analyst Title 1-19-05 Date</p>	
<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>October 6, 2004 Date of Survey Signature and Seal of Professional Surveyor  7016 Certificate Number</p>							

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.	
New Well	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Federal Gas Com (BLM NM 06105)	
8. Well Number 1	
9. OGRID Number 000778	
10. Pool name or Wildcat Basin Fruitland Coal	

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5869' GR

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILLING Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 95 bbls; Construction Material IMPERVIOUS

SUNDRY NOTICES AND REPORTS ON WELLS
(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 ☐ Gas Well ☒ Other

2. Name of Operator
BP AMERICA PRODUCTION COMPANY

3. Address of Operator
P.O. BOX 3092 HOUSTON, TX 77079-2064

4. Well Location
Unit Letter C : 845 feet from the North line and 2090 feet from the West line
Section 14 Township 30N Range 11W NMPM SAN JUAN County

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	P AND A <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPL <input type="checkbox"/>	
OTHER: LINED DRILLING PIT <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 Cherry Hlava TITLE Regulatory Analyst DATE 02/03/05

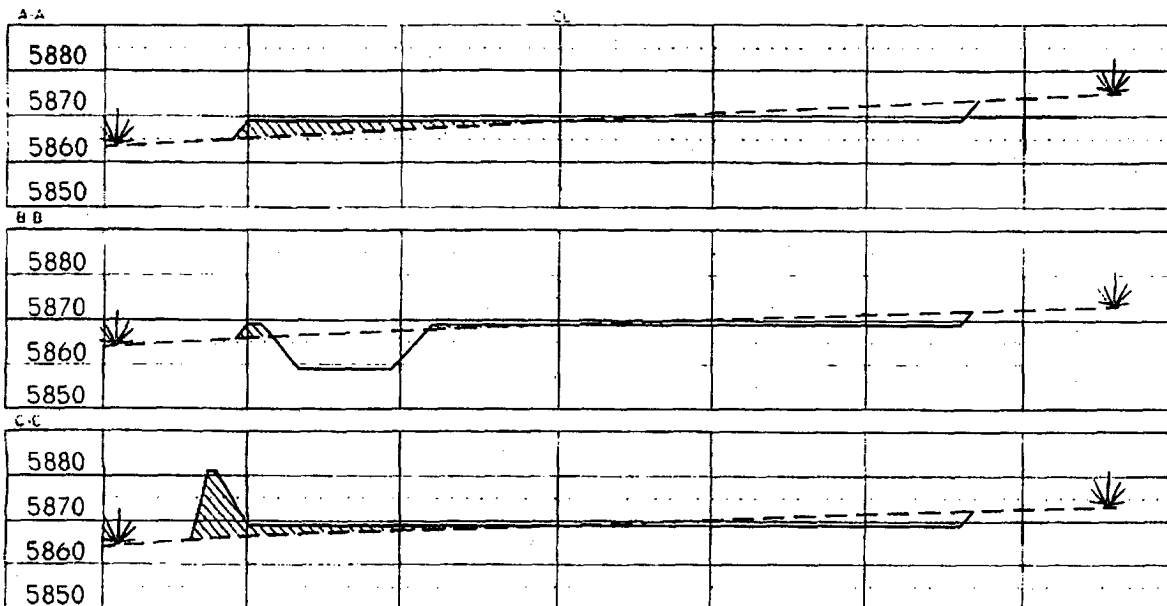
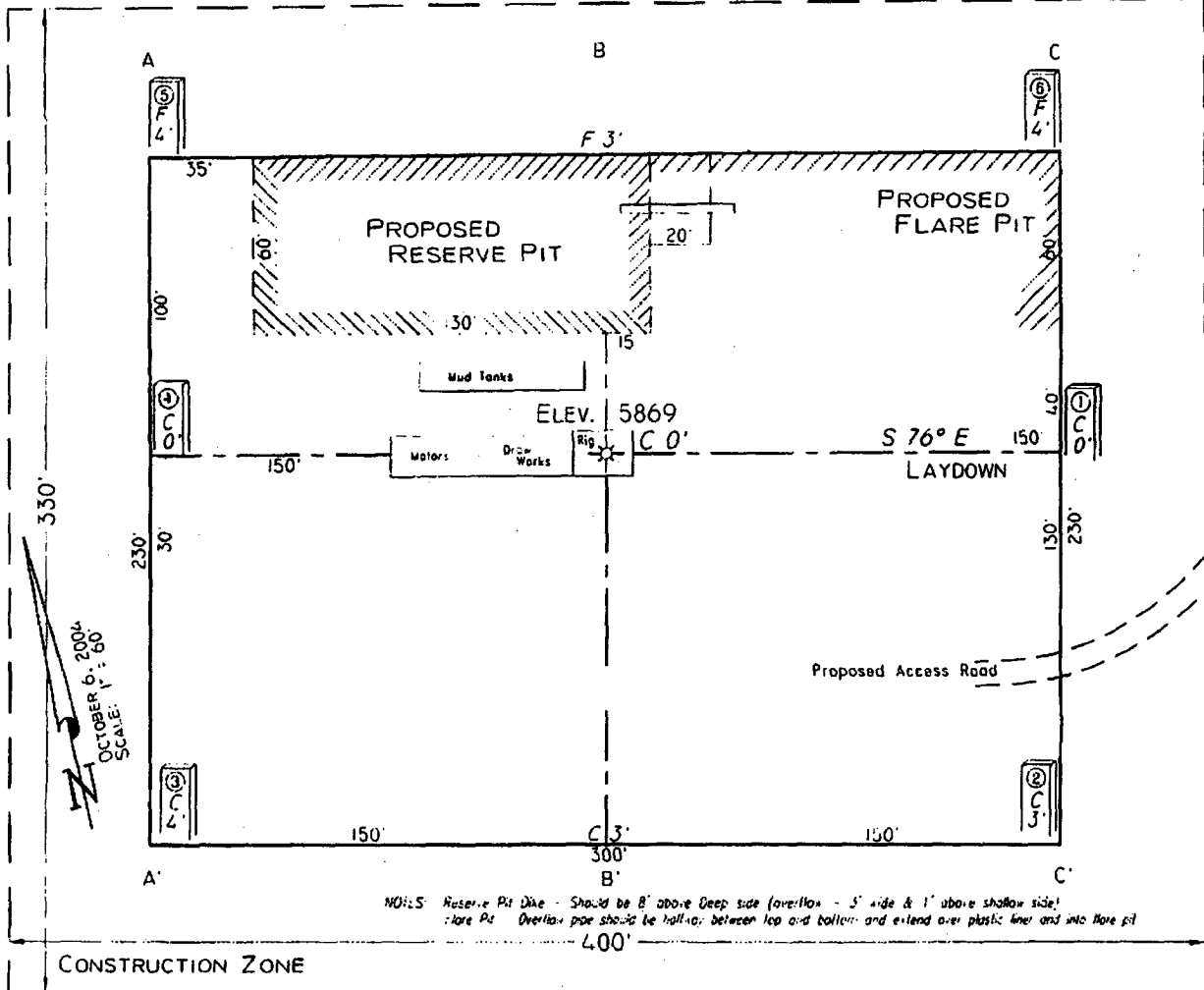
Type or print name Cherry Hlava E-mail address: hlavac1@bp.com Telephone No. 281-366-4081
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 88 DATE JUL - 7 2005
Conditions of Approval (if any):

PAD LAYOUT PLAN & PROFILE
 BP AMERICA PRODUCTION COMPANY
 Federal Gas Com #1
 845' F/NL 2090' F/WL
 SEC. 14, T30N, R11W, N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

36.816941
 107.9625

Lat: 36°49'01"
 Long: 107°57'45"



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 slopes 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

Additional Operator Remarks
Federal Gas Com #1
APD

BP America Production Company respectfully requests permission to drill the subject well to a total MD of approximately 2483' and complete in the Basin Fruitland Coal.

If terrain allows it is still our intent to pre-set the 8 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 +/- 400 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

BOP Test Pressure

BP America Production Company BOP Pressure Testing Requirements

Well Name: Federal GC 1
County: San Juan

State: New Mexico

Formation	TVD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	920		
Kirtland	1030		
Fruitland Fm	1920		
Fruitland Coal	2065	400	0
PC	2333		

** 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 Fruitland Coal. 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.

Cementing Program

Well Name:	Federal GC 1M <i>Per Cherry Hwa 2/14/05</i>	Field:	Basin Fruitland Coal
Location:	Section 14C, T30N, R11W; 845' PNL, 2090' FWL	API No.	
County:	San Juan	Well Flac	
State:	New Mexico	Formation:	Fruitland Coal
		KB Elev (est)	5880
		GL Elev. (est)	5869

Casing Program:

Casing String	Est. Depth (ft.)	Hole Size (in.)	Casing Size (in.)	Thread	TOC (ft.)
Surface	120	12.5	8 5/8	8rd	Surface
Production -	2483	8.75	5 1/2	8rd	Surface

Casing Properties:

(No Safety Factor Included)

Casing String	Size (in.)	Weight (lb/ft)	Grade
Surface	8 5/8	20	H-40 <i>X-42</i>
Production -	5 1/2	15.5	J-55

Mud Program

Apx. Interval (ft.)	Mud Type	Mud Weight	Recommended Mud Properties Prio Cementing:
			PV <20
			YP <10
			Fluid Loss <6
0 - SCP	Water/Spud	8.6-9.2	
SCP - TD	Water/LSND	8.6-9.2	

Cementing Program:

	Surface	Production
Excess %, Lead	100	40
Excess %, Tail	NA	40
BHST (est deg. F)	75	120
Special Instructions	1,6	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

Surface:

Preflush 20 bbl. FreshWater

Slurry 1 84 sx Class C Cement
TOC@Surface + 2% CaCl2 (accelerator)

107 cuft

0.4465 cuft/ft OH

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	15.2	1.27	5.8

Casing Equipment:

8-5/8", 8R, ST&C
1 Guide Shoe
1 Top Wooden Plug
1 Autofill insert float valve
Centralizers, 1 per joint except top joint
1 Stop Ring
1 Thread Lock Compound

Cementing Program

Production:

Fresh Water	10 bbl	CW100
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Lead	262	Class "G" Cement	683	cuft
Slurry 1		+ 3% D79 extender		
TOC@Surface		+ 2% S1 Calcium Chloride		

Tail	139	50/50 Class "G"/Poz	177	cuft
Slurry 2		+ 2% gel (extender)		

500 ft fill	0.1% D46 antifoam	0.2526 cuft/ft OH
	+1/4 #/sk. Cellophane Flake	0.2009 cuft/ft csg ann
	+ 2% CaCl2 (accelerator)	

Slurry Properties:	Density (lb/gal)	Yield (ft3/sk)	Water (gal/sk)
Slurry 1	11.4	2.61	17.77
Slurry 2	13.5	1.27	5.72

Casing Equipment: 5 1/2", 8R, ST&C
1 Float Shoe (autofill with minimal LCM in mud)
1 Float Collar (autofill with minimal LCM in mud)
Centralizers as needed
1 Top Rubber Plug
1 Thread Lock Compound

860 Hz

BP American Production Company

Well Control Equipment Schematic

