

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or to re-enter an
Abandoned well. Use Form 3160-3 (APD) for such proposals.*

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUBMIT IN TRIPLICATE – Other instructions on reverse side

| | | |
|---|--|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NM 013688 |
| 2. Name of Operator BP AMERICA PRODUCTION COMPANY | | 6. If Indian, Allottee or tribe Name |
| 3a. Address PO BOX 3092 HOUSTON, TX 77253 | 3b. Phone No. (include area code) 281-366-4081 | 7. If Unit or CA/Agreement, Name and No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1765' FSL & 1045' FEL; SEC 25 T31N R10W NESE Mer NMP | | 8. Well Name and No. ATLANTIC LS 1M |
| | | 9. API Well No. 30-045-32875 |
| | | 10. Field and Pool, or Exploratory Area BASIN DAKOTA & BLANCO MESAVERDE |
| | | 11. County or Parish, State SAN JUAN, NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OR NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water shut-Off |
| | | | <input type="checkbox"/> Well Integrity |
| | | | <input checked="" type="checkbox"/> Other |
| | | | SPUD & SET |
| | | | TA |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

11/15/05 MIRU & Spud 12 1/4" Surface Hole & drill to 242'. TIH w/ 9 5/8"; 32.30#; H-40 ST&C CSG to 417'. Cement CSG w/ 67 sxs Portland CMT; Density 15.7 ppg; Circ. 2 bbls good cmt to pit.

PLEASE SEE NEXT PAGE

| | | |
|--|--|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/typed) Cherry Hlava | | Title Regulatory Analyst |
| Signature <i>Cherry Hlava</i> | | Date 01/17/2006 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---------------------------------------|-------------------------|
| Approved by _____ | Title _____ | Date JAN 25 2006 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or Certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office FARMINGTON FIELD OFFICE | |

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.

NMOCD

ATLANTIC LS 41M
30-045-32875
SPUD & SET REPORT

12/16/05 Pressure test CSG 750# 30 min. OK. TIH & DRILL OUT 8 3/4" RAT HOLE 214' - 242'. DIRECTIONAL DRILL 242' - 3840' TD 8 3/4" INT. HOLE. NO LOSSES.

12/21/05 TIH & land 7" 20# J-55 casing @3834' TIH & CMT 7" CSG w/ lead 364 sx DENSITY 9.50 PPG LITECRETE YIELD 2.520; TAIL w/65 sx 11.50 PPG YIELD 1.260. NO CMT TO SURFACE. RAN TEMP SURVEY & FOUND TOC @1430'. TIH w/4.0 GUN & PERF'd 1400' - 1401' @2 SPF @180 DEGREE PHASING. START CMT & PMP 147 sxs LEAD CMT 11.70 ppg & 50 sxs 15.80 ppg TAIL. 30 bbls CMT TO SURFACE. TIH & DRILL CMT 1330' - 1403'. PRES TST CSG TO 600 PSI FOR 30 MIN OK.

12/23/05 TIH & drill 6 1/4" hole 3840' - 3988' HOLE WET. FISHING. TOH w/FISH. TIH & SET PLUG @1464'. PRES TST CSG TO 600#; BLED DN TO 450# IN 3 MIN.

12/24/05 PRES UP TO 600# BLED TO 250# IN 5 min. TOH w/PKR. PRES TST LINES TO 2500. PMP 10 bbls WTR & START MICRO-MATRIX CMT & SPOTTED 22 sxs 14.00 ppg CMT ACROSS HOLES. TOH TO 1144' & CIRC HOLE w/80 bbls WTR. PRES UP ON CMT TO 600# PRES BLED TO 400# IN 5 MIN. PRES UP ON CSG & SQZ 1.5 bbls CMT INTO PERFS @1400'. SD FOR CHRISTMAS.

12/26/05 TIH 6 1/4" BIT & DRILL CMT 1313' - 1364'. RU & TST SQZ HOLES TO 500# 30 MIN. CSG TST'd GOOD. TIH REL PLG. TIH w/RETAINER TO 128' SET IN CSG. TIH w/6 1/4" BIT & D/O RETAINER @128'.

12/27/05 PUSH RETAINER TO 3798'. TIH w/RETAINER & SET @3784'. RU CMT'RS; PMP 150 sxs CL G NEAT CMT. SQZ SHOE w/600# & 26 bbls CMT. REVERSED OUT 2 bbls CMT.

12/28/05 TIH & TAG RETAINER @3786'.

12/29/05 DRILL RETAINER & CMT 3926'. REAM & WASH TO 3988' TD. DRILL 6 1/2" HOLE 3988' - 4362'. WELL WET. REGAIN CIRCULATION.

12/30/05 PMP 6 sxs CIDER FIBER & 4 sxs MAGMAFIBER; BUILD MUD TO 50+ VIS w/10% LCM. DRILL 4362' - 5531'. STILL DRILLING. MUD PROPERTIES: VIS-49, 9.1#, WL-8, PH-8, LCM 17%. INCREASED STK/MIN 65 to 75 (253 GPM) TO PROTECT BIT FROM BALLING. DRILL 5531' - 5755'. LOST CIRC @5754'. 200 bbls of 20% LCM FLUID LOST. BUILD MUD VOL w/40% LCM, 55 VIS, 8.5#. ATTEMPT TO BRAKE CIRC w/OUT SUCCESS. PMP TOTAL OF 200 bbls. FLUID LEVEL IN WELL @1700' +/-.

1/4/06 BUILD VOL w/40% LCM. MIX MUD TO 55 VIS, 8.5 MW, 40% LCM CIRC & PMP 83 bbls & HAD RETURNS TO SURFACE. 570# CIRC PRESS. PMP 203 bbls INTO FRACTURE. CIRC 1 hr. CIRC @630#. LOSING MUD TO FRACS. SD CIRC & PREP TO TOH w/ PIPE. BUILD NEW MUD & MIX LCM to 40%, VIS 59, WT - 8.8#. CIRC HOLE @910# w/PARTIAL RETURNS. TOTAL 40 bbls FLUID INTO FORMATION. PMP'd COTTON HULL PILL & CAUGHT FLUID w/2.8 bbls DN DP, PMP'd 30.5 bbls TO GET CIRC. HAD 14 bbls of SEEPAGE IN THE 1st HR. PRESS 650 psi to 730 psi NO FLUID LOSSES.

1/5/06 TIH & DRILL 5755' - 7526' TD ON 1/10/06. LOST CIRC. MIX LCM to 40% HEAVIES & 18% FINES. PMP 179 bbls; NO RETURNS & NO PRESSURE. DUMP 20 sxs WALNUT SHELLS DN CSG. PMP 69 bbls 50% LCM MUD & FILLED HOLE - CIRC ACROSS TOP OF WELL HEAD w/NO LOSSES F/ 15 MIN. TEST UNIT NOT RUNNING.

01/12/06 TIH; TAG BTM @7522'. PU/MU 7" CMT RET & TIH ON 3 1/2" DP. TEST LINES 2000 psi. SQ CMT - 20 BFW, 24 bbls CACL2, 5 BFW, 24 bbls ZONE LOCK, 29 BFW, 880 sxs 15.8 ppg YIELD 1.150 CLS G W/1% CACL2, 5 PPB GILSONITE, 1.4 PPS CELLOFLAKE, ON VAC, DISP w/30BFW, SD 10 min. STILL ON LIGHT VAC 1 bbl, SD 20 MIN. PMP 5 BFW & CAUGHT PRS, - MAX SQ PRS 250 PSI. SD. TIH TO OP OF CMT RET. LD 40 JTS TO D/O CMT. BREAK CIRC ON TOP OF RET. RETURNS. CIRC TILL CLEAN. PRS UP ON CSG TO 480 PSI; INCREASED TO 662 PSI IN 2.5 hrs. BREAK CIRC TO MAKE SURE HOLE FULL. TIH & DRILL OUT CMT RET @3820'. TIH w/DP & TAG CMT @3881'.

1/13/06 DRLG CMT STRINGERS 3881' - 3949'. DRLG SOLID CMT & REMAINDER OF CMT RETAINER. DRILL 3949' - 4001'. DRLG CMT 4001' - 4977'. LOST CIRC. UNLOAD HOLE w/AIR 1300 PSI. = 2976 FT OF FLUID IN HOLE.

1/16/06 DECISION MADE TO T&A WELL. TIH & SET 7" CMT RET @3710' & CAP w/9FT OF SN. (PBSD F/ T&A 3710'.