

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

Form C-101
Permit 32844

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 30-045-33021
4. Property Code 1221	5. Property Name ZACHARY LS	6. Well No. 001E

7. Surface Location

UL - Lot--	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	25	31N	11W	K	1750	S	2200	W	SAN JUAN

8. Pool Information

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

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 5847
14. Multiple Y	15. Proposed Depth 7130	16. Formation Dakota Formation	17. Contractor	18. Spud Date 6/22/2006
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 checked="" type="checkbox"/> Brine <input 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	245	227	0
Intl	8.75	7	23	4428	548	0
Prod	6.25	4.5	11.6	7129	258	0

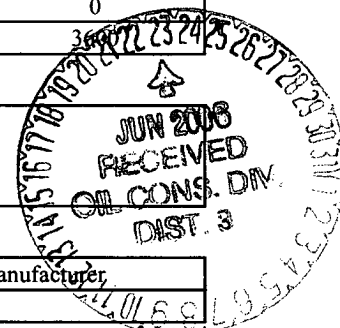
Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1500	

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"/> . Printed Name: <u>Cherry Hlava</u> <u>Cherry Hlava</u> Title: <u>Regulatory Analyst</u> Email Address: <u>HLAVAC@BP.com</u> Date: <u>6-22-06</u> Phone: <u>281-366-4081</u>	OIL CONSERVATION DIVISION Approved By: <u>[Signature]</u> Title: _____ Approved Date: <u>7-12-05</u> Expiration Date: _____
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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

State of New Mexico
Energy, Minerals and Natural Resources

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1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 32844

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-3302	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 1221	5. Property Name ZACHARY LS	6. Well No. 001E
7. OGRID No. 778	8. Operator Name BP AMERICA PRODUCTION COMPANY	9. Elevation 5847

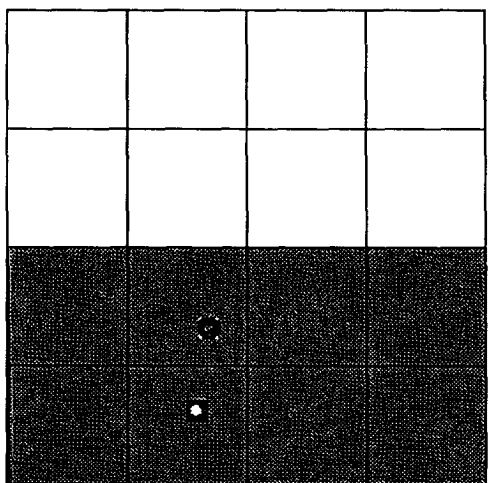
10. Surface Location

UL - Lot K	Section 25	Township 31N	Range 11W	Lot Idn	Feet From 1750	N/S Line S	Feet From 2200	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot N	Section 25	Township 31N	Range 11W	Lot Idn N	Feet From 881 840	N/S Line S	Feet From 2067 2070	E/W Line W	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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: <i>Cherry Hlava</i> Title: <i>Regulatory Analyst</i> Date: <i>6-26-06</i></p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Gary Vann Date of Survey: 8/11/2005 Certificate Number: 7016</p>

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-3302	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 1221	5. Property Name ZACHARY LS	6. Well No. 001E
7. OGRID No. 778	8. Operator Name BP AMERICA PRODUCTION COMPANY	9. Elevation 5847

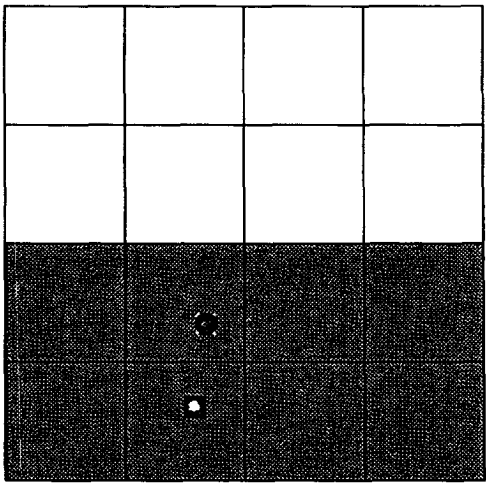
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	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Gary Vann Date of Survey: 8/11/2005 Certificate Number: 7016</p>

Permit Comments

Operator: BP AMERICA PRODUCTION COMPANY , 778

Well: ZACHARY LS #001E

API:

Created By	Comment	Comment Date
CHLAVA	This well was drilled under an approved Federal Application for Permit to Drill (APD). The surface location is Federal but the Bottom Hole is Fee in the Mesaverde and Dakota Formations.	6/22/2006