

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: ☒ DRILL ☐ REENTER

CONFIDENTIAL

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
BP AMERICA PRODUCTION COMPANY
Contact: CHERRY HLAVA
E-Mail: hlavacl@bp.com

3a. Address
P.O. BOX 3092
HOUSTON, TX 77253

3b. Phone No. (include area code)
Ph: 281.366.4081
Fx: 281.366.0700

4. Location of Well (Report location clearly and in accordance with any State requirements.) JUN 2003

At surface NWSE Lot 8 2200FSL 2310FEL

At proposed prod. zone

14. Distance in miles and direction from nearest town or post office*
3.4 MILES S/E FROM FARMINGTON

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)

16. No. of Acres in Lease
43102.00

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.

19. Proposed Depth
1744 MD

21. Elevations (Show whether DF, KB, RT, GL, etc.)
5554 GL

22. Approximate date work will start
06/01/2003

5. Lease Serial No.
NMSF - 078109

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
GALLEGOS CANYON UNIT 597

9. API Well No.
3004531620

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 21 T29N R12W Mer NMP

12. County or Parish
SAN JUAN

13. State
NM

17. Spacing Unit dedicated to this well

~~288.5~~ 13/2 318.51

20. BLM/BIA Bond No. on file

23. Estimated duration

24. Attachments

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

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. 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

Date
04/09/2003

Title
AUTHORIZED REPRESENTATIVE

Approved by (Signature)
D.M.

Name (Printed/Typed)

Date
5-30-03

Title
D.M.

Office

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 #19783 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

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **

NMOCDD

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 30-045-31620	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 570	Property Name Gallegos Canyon Unit	Well Number # 597
OGRID No. 778	Operator Name BP AMERICA PRODUCTION COMPANY	Elevation 5554

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J (Lot 8)	21	29 N	12 W		2200	SOUTH	2310	EAST	SAN JUAN

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 288.51	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

						OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Cherry Hlava</u> Printed Name <u>Cherry Hlava</u> Title <u>Regulatory Analyst</u> Date <u>4-7-03</u>	
21						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. Date of Survey <u>March 19, 2003</u> Signature and Seal of Professional Surveyor <u>[Signature]</u> Certificate Number <u>7016</u>	

**BP AMERICA PRODUCTION COMPANY
DRILLING AND COMPLETION PROGRAM**

Prospect Name: GCU 597
Lease: GALLEGOS CANYON UNIT
County: San Juan
State: New Mexico
Date: April 8, 2003

Well No: 597
Surface Location: 2200' FSL & 2310' FEL
 Sec. 21, 29N-12W
Field: Basin Fruitland Coal

OBJECTIVE: Drill 200' into the Pictured Cliffs, set 4 1/2" casing to TD, perf & stimulate Fruitland Coal interval

METHOD OF DRILLING		APPROXIMATE DEPTHS OF GEOLOGICAL MARKER			
TYPE OF TOOLS	DEPTH OF DRILLING	Estimated GL: 5554		Estimated KB: 5558	
Rotary/Top Drive	0 - TD	MARKER		SUBSEA	MEAS. DEPTH
LOG PROGRAM TYPE DEPTH INVERAL Open Hole (Platform Express) TD to base of surface casing		Ojo Alamo		5324	241
		Kirtland		5238	327
		Fruitland Coal	#	4060	1505
		Pictured Cliffs	*	4021	1544
		TOTAL DEPTH			3821
REMARKS: - Please report any flares (magnitude & duration).		# Completion interval		* Possible Pay	
SPECIAL TESTS		DRILL CUTTING SAMPLES		DRILLING TIME	
TYPE		FREQUENCY	DEPTH	FREQUENCY	DEPTH
None		None		Geolograph	0-TD
REMARKS:					

MUD PROGRAM:						
Approx. Interval	Type Mud	Weight, #/gal	Vis, sec/qt	W/L cc's/30 min	Other Specification	
0 - 120-135 3 jts.	Spud	8.6-9.2				
120-135 - TD (1)	Water/LSND	8.6-9.2				

REMARKS:
 (1) The hole will require sweeps to keep unloaded while fresh water drilling. Let hole conditions dictate frequency.

CASING PROGRAM: (Normally, tubular goods allocation letter specifies casing sizes to be used. Hole sizes will be governed by Contract)

Casing String	Estimated Depth	Casing Size	Grade	Weight	Hole Size	Landing Point, Cement, Etc.
Surface/Conductor	120-135	7"	J 55 ST&C	23#	8.75"	1
Production	1744	4 1/2"	J 55 ST&C	10.5#	6.25"	1,2

REMARKS:
 (1) Circulate Cement to Surface
 (2) Set casing 200' below top of Pictured Cliffs

CORING PROGRAM:

None

COMPLETION PROGRAM:

Rigless, Single Stage Hydraulic Frac

GENERAL REMARKS:

Notify BLM/NMOCD 24 hours prior to Spud, BOP testing, and Casing and Cementing.

Form 46 Reviewed by: _____ Logging program reviewed by: DLJ

PREPARED BY:	APPROVED:	DATE:	
HGJ/JLP			

BOP Test Pressure

BP America Production Company BOP Pressure Testing Requirements

Well Name: GCU 597
County: San Juan

State: New Mexico

Formation	TVD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	234		
Kirtland	320		
Fruitland Coal	1498		
PC	1537		

** Note: Determined using the following formula: $ABHP - (.22 * TVD) = ASP$

Requested BOP Pressure Test Exception: 750 psi

SAN JUAN BASIN
Basin Fruitland Coal
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 Basin Dakota. No abnormal temperature, pressure, or H₂S anticipated.

Equipment Specification

Interval

BOP Equipment

Below conductor casing to total depth	11" nominal or 7 1/16", 3000 psi double ram preventer with rotating head.
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All ram type preventers and related control equipment will be hydraulically tested to 250 psi (low pressure) and 2000 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.