

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. NMSF - 078578
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: MARY CORLEY E-Mail: corleym@bp.com		8. Lease Name and Well No. FLORANCE Z 40B
3a. Address P.O. BOX 3092 HOUSTON, TX 77253	3b. Phone No. (include area code) Ph: 281.366.4491 Fx: 281.366.0700	9. API Well No. 30045 32060
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SENE Lot H 2190FNL 670FEL 36.47900 N Lat, 107.40500 W Lon At proposed prod. zone		10. Field and Pool, or Exploratory BLANCO MESAVERDE
14. Distance in miles and direction from nearest town or post office* 19.5 MILES FROM AZTEC, NEW MEXICO		11. Sec., T., R., M., or Blk. and Survey or Area H Sec 21 T30N R8W Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 670	16. No. of Acres in Lease 320.00	12. County or Parish SAN JUAN
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1275	19. Proposed Depth 5106 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5798 GL	22. Approximate date work will start 01/20/2004	17. Spacing Unit dedicated to this well 320.00 E/2
		20. BLM/BIA Bond No. on file WY2924
		23. Estimated duration 5 DAYS

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) MARY CORLEY	Date 12/08/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	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 #25841 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

1 AFI Number 30-045-32060		2 Pool Code 72319		3 Pool Name BLANCO MESA VERDE		
4 Property Code 000555		5 Property Name Florance Z			6 Well Number # 40B	
7 OGRID No. 000778		8 Operator Name BP AMERICA PRODUCTION COMPANY			9 Elevation 5798	

10 Surface Location

UL or Lot No. H	Section 21	Township 30 N	Range 8 W	Lot Idn	Feet from the 2190	North/South line NORTH	Feet from the 670	East/West line EAST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

12 UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
13 Dedicated Acres 3.20									
14 Joint or Infill									
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

16 2642(R) 2643(R) 2627(R) 5271(R)	21	2190'	670'	Florance Z 40 1650' FSL 1825' FEL 30-045-09351	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Printed Name Title Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**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.5. Lease Serial No.
NMSF078578

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

BP AMERICA PRODUCTION CO

Contact:

MARY CORLEY

E-Mail: corley.m@bp.com

3a. Address

P. O. BOX 3092
HOUSTON, TX 77253

3b. Phone No. (include area code)

Ph: 281.366.4491

Fx: 281.366.0700

8. Well Name and No.
FLORANCE Z 40B9. API Well No.
30-045-32060-00-X1

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 21 T30N R8W SENE Lot H 2190FNL 670FEL
36.47900 N Lat, 107.40500 W Lon10. Field and Pool, or Exploratory
BLANCO MESAVERDE

11. County or Parish, and State

SAN JUAN COUNTY, NM

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

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

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.)

Original APD submitted on 12/08/2003, EC Transmission #25841.

BP America submits for your approval amendements to the casing size and cementing program for the subject well as per the attached documents.

Also please note the corrections made to the formation tops.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #26679 verified by the BLM Well Information System
For BP AMERICA PRODUCTION CO, sent to the Farmington
Committed to AFMS for processing by ADRIENNE GARCIA on 01/15/2004 (04AXG0167SE)**

Name (Printed/Typed) MARY CORLEY

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 01/08/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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

FEB 23 2004

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCH

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

Prospect Name: Florance Z

Lease: Florance

County: San Juan

State: New Mexico

Date: December 15, 2003

Well No: 40 B

Surface Location: 21-30N-8W; 2190 FNL, 670 FEL

Field: Blanco Mesaverde

OBJECTIVE: Drill 400' below the top of the Point Lookout Sandstone, set 2 7/8" production long string, Stimulate CH, MF and PL intervals																																																		
METHOD OF DRILLING			APPROXIMATE DEPTHS OF GEOLOGICAL MARKER																																															
TYPE OF TOOLS Rotary	DEPTH OF DRILLING 0 - TD		Estimated GL: 5798		Estimated KB: 5812																																													
LOG PROGRAM																																																		
TYPE <u>OPEN HOLE</u> None	DEPTH INVERAL																																																	
<u>CASED HOLE</u> GR-CCL			TD to 5 1/2" shoe																																															
REMARKS: - Please report any flares (magnitude & duration).			<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">MARKER</td> <td></td> <td style="text-align: center;">SUBSEA</td> <td style="text-align: center;">TVD</td> </tr> <tr> <td>Ojo Alamo</td> <td></td> <td>4233</td> <td>1579</td> </tr> <tr> <td>Kirtland</td> <td></td> <td>4174</td> <td>1638</td> </tr> <tr> <td>Fruitland</td> <td></td> <td>3739</td> <td>2073</td> </tr> <tr> <td>Fruitland Coal</td> <td style="text-align: center;">*</td> <td>3532</td> <td>2280</td> </tr> <tr> <td>Pictured Cliffs</td> <td style="text-align: center;">*</td> <td>3199</td> <td>2613</td> </tr> <tr> <td>Lewis</td> <td style="text-align: center;">*</td> <td>3037</td> <td>2775</td> </tr> <tr> <td>Cliff House</td> <td style="text-align: center;">#</td> <td>1718</td> <td>4094</td> </tr> <tr> <td>Menefee</td> <td style="text-align: center;">#</td> <td>1402</td> <td>4411</td> </tr> <tr> <td>Point Lookout</td> <td style="text-align: center;">#</td> <td>1020</td> <td>4792</td> </tr> <tr> <td>Mancos</td> <td></td> <td>716</td> <td>5096</td> </tr> </table>				MARKER		SUBSEA	TVD	Ojo Alamo		4233	1579	Kirtland		4174	1638	Fruitland		3739	2073	Fruitland Coal	*	3532	2280	Pictured Cliffs	*	3199	2613	Lewis	*	3037	2775	Cliff House	#	1718	4094	Menefee	#	1402	4411	Point Lookout	#	1020	4792	Mancos		716	5096
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Mancos		716	5096																																															
TOTAL DEPTH				620	5192																																													
# Probable completion interval				* Possible Pay																																														
SPECIAL TESTS			DRILL CUTTING SAMPLES		DRILLING TIME																																													
TYPE None			FREQUENCY None	DEPTH Production hole	FREQUENCY Geolograph	DEPTH 0-TD																																												
REMARKS:																																																		
MUD PROGRAM:																																																		
Approx. Interval	Type Mud	Weight, #/gal	Vis, sec/qt	W/L cc's/30 min	Other Specification																																													
0 - 120' <i>200</i>	Spud	8.6-9.2																																																
120 - 2230 (1)	Water/LSND	8.6-9.2		<6																																														
2230 - 5192	Gas/Air/N2/Mist	Volume sufficient to maintain a stable and clean wellbore																																																
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 Pt, Cmt, Etc.																																												
Surface/Conductor	<i>200</i> 120	8 5/8"	X-42 ST&C	20#	12.25"	1																																												
Intermediate 1	2230	5 1/2"	J-55 ST&C	15.5#	7.875"	1,2																																												
Production	5192	2 7/8"	J-55	6.5#	4.75"	3,4																																												
REMARKS: (1) Circulate Cement to Surface (2) Set casing 50' above Fruitland Coal (3) Bring cement 100' above 5 1/2" shoe (4) 100' Overlap																																																		
CORING PROGRAM: None																																																		
COMPLETION PROGRAM: Rigless, 2-3 Stage Limited Entry 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: N/A																																															
PREPARED BY: HGJ/MNP/JMP		APPROVED:		DATE: December 15, 2003 Version 2.0																																														
Form 46 12-00 MNP																																																		

BOP Test Pressure

BP America Production Company BOP Pressure Testing Requirements

Well Name: Florance Z
County: San Juan

40 B
State: New Mexico

Formation	Estimated TVD/MD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	1530		
Fruitland Coal	2280		
PC	2541		
Lewis Shale	2766		
Cliff House	4014	500	0
Menefee Shale	4337		
Point Lookout	4706	600	0
Mancos	5014		

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

Requested BOP Pressure Test Exception: 750 psi

SAN JUAN BASIN
Mesaverde Formation
Pressure Control Equipment

Background

Mesaverde
The objective ~~Dakota~~ 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.

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.

FEDERAL CEMENTING REQUIREMENTS

1. All permeable zones containing fresh water and other usable water containing 10,000 PPM or less total dissolved solids will be isolated and protected from contamination by cement circulated in place for the protection of permeable zones per the NTL-FRA 90-1 Section III A.
2. The hole size will be no smaller than 1 1/2" larger diameter than the casing O.D. across all water zones.
3. An adequate spacer will be pumped ahead of the cement slurry to help prevent mud contamination of the cement.
4. An adequate number of casing centralizers will be run through usable water zones to ensure that the casing is centralized through these zones. The adequate number of centralizers to use will be determined by API SPEC 10D.
5. Centralizers will impart a swirling action around the casing and will be used just below and into the base of the lowest usable water zone.
6. A chronological log will be kept recording the pump and slurry information and will be sent to the BLM with the subsequent sundry.

BP is currently using 3% CaCl₂ in our slurry and achieves 300 psi compressive strength after 1 hr 50 min and 500 psi after 3 hrs 8 min. We, therefore, request approval to initiate blowout preventer (BOP) nipple up operations after a 2 hour wait on cement time in lieu of the 6 hour time frame required by rule to achieve 300 psi compressive strength with Class B cement slurry at 80 deg F.

See BLM General Requirements