

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 30-045-34192
4. Property Code 350	5. Property Name CALLOWAY 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
C	34	31N	11W	C	425	N	2300	W	SAN JUAN

8. Pool Information

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

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 5726
14. Multiple Y	15. Proposed Depth 7110	16. Formation Dakota Formation	17. Contractor	18. Spud Date 11/11/2007
Depth to Ground water 100		Distance from nearest fresh water well 500		Distance to nearest surface water 201
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 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	200	154	0
Int1	8.75	7	20	4398	442	0
Prod	6.25	4.5	11.6	7110	245	4248

Casing/Cement Program: Additional Comments

If terrain allows it is our intent to drill a 13 5/8" hole pre-set the 9 5/8 casing by drilling a surface hole with 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.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Helmerich&Payne

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"/> .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Chery Hlava	Approved By: Charlie Perrin
Title: Regulatory Analyst	Title: District Supervisor
Email Address: hlavacl@bp.com	Approved Date: 3/19/2007 Expiration Date: 3/19/2008
Date: 3/1/2007 Phone: 281-366-4081	Conditions of Approval Attached

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
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Form C-102
 Permit 27856

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-34192	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 350	5. Property Name CALLOWAY LS	6. Well No. 001E
7. OGRID No. 778	8. Operator Name BP AMERICA PRODUCTION COMPANY	9. Elevation 5726

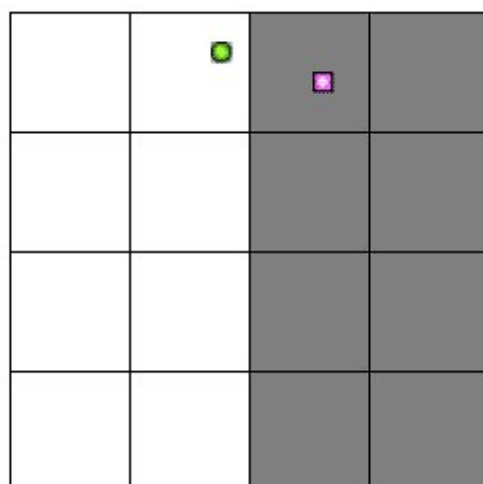
10. Surface Location

UL - Lot C	Section 34	Township 31N	Range 11W	Lot Idn	Feet From 425	N/S Line N	Feet From 2300	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

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UL - Lot B	Section 34	Township 31N	Range 11W	Lot Idn B	Feet From 740	N/S Line N	Feet From 1850	E/W Line E	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



OPERATOR CERTIFICATION

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.

E-Signed By: Chery Hlava
 Title: Regulatory Analyst
 Date: 3/1/2007

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.

Surveyed By: Garry Vann
 Date of Survey: 12/6/2005
 Certificate Number: 7016

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Form C-102
 Permit 27856

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-34192	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 350	5. Property Name CALLOWAY LS	6. Well No. 001E
7. OGRID No. 778	8. Operator Name BP AMERICA PRODUCTION COMPANY	9. Elevation 5726

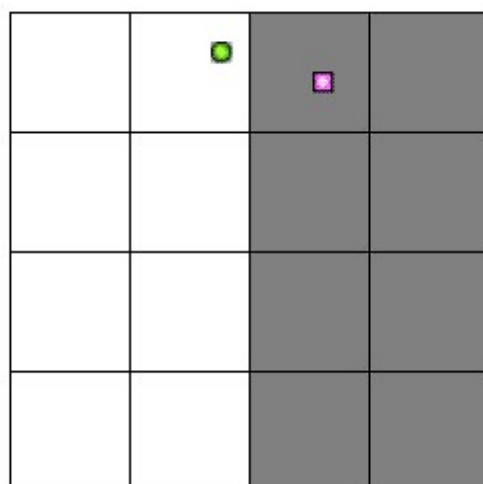
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Permit Comments

Operator: BP AMERICA PRODUCTION COMPANY , 778

Well: CALLOWAY LS #001E

API: 30-045-34192

Created By	Comment	Comment Date
SHAYDEN	This APD requires an attached C-102 form.	3/1/2007
CPerrin	Pit is not a closed loop system.	3/19/2007

Permit Conditions of Approval

Operator: BP AMERICA PRODUCTION COMPANY , 778

Well: CALLOWAY LS #001E

API: 30-045-34192

OCD Reviewer	Condition
SHAYDEN	Will require a directional survey with the C-104