



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

November 17, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

BP America Production Company
P. O. Box 3092
Houston, Texas 77253-3092

Attention: Cherry Hlava
hlavacl@bp.com

9:38 AM 8-28-2006
Steve Hayden in letter
left a voice mail and was
confused about the NSL portion
of this order. M. Stogner

Administrative Order NSP-1894 (NSL)

Dear Ms. Hlava:

at an unorthodox
coal gas
well location

Reference is made to the following: (i) your initial application (**administrative application reference No. pMES0-529359477**) of September 12, 2005 for an unorthodox Basin-Fruitland coal gas well location for BP America Production Company's ("BP") proposed Riddle "C" LS Well No. 5 (**API No. 30-045-33336**) to be drilled 2110 feet from the South line and 925 feet from the West line (Lot 14/Unit K) of Irregular Section 30, Township 31 North, Range 9 West, NMPM, Basin-Fruitland Coal (Gas) Pool (**71629**), San Juan County, New Mexico; (ii) the New Mexico Oil Conservation Division's ("Division") response by letter from Mr. Michael E. Stogner, Engineer in Santa Fe, on October 20, 2005 denying this application; (iii) your e-mail correspondence with Mr. Stogner on October 25, 2005 concerning this application; (iv) your re-submittal of this application on October 27, 2005 to include a provision to establish a non-standard 299.10-acre coal gas spacing unit consisting of the following acreage; and (v) the Division's records in Aztec and Santa Fe, including the files in Division Cases No. 236 and 10072:

SAN JUAN COUNTY, NEW MEXICO

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Irregular Section 30: Lots 14 through 16 (SW/4 equivalent)

Irregular Section 31: Lots 7 through 10 and 15 through 18 (W/2 equivalent).

Your application has been duly filed under the provisions of: (i) Rules 6 and 7 (b) of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended; and (ii) Division Rules 104.F, 104.D (2), and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

The above-described acreage conforms to an existing non-standard gas spacing and proration unit in the Blanco-Mesaverde Pool (**72319**) approved under the authority of Division Order No. R-35, issued in Case No. 236 on December 1, 1950, and serves to complement the previously established 309.09-acre non-standard coal gas spacing unit comprising the W/2 equivalent of Irregular Section 19 and the NW/4 equivalent of Irregular Section 30, Township 31 North, Range 9 West, NMPM, San Juan County, New Mexico, approved by Division Order No. R-9308, issued in Case No. 10072 on September 27, 1990.

By the authority granted me under the provisions of Rules 6 and 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," the above-described unorthodox coal gas well location for BP's proposed Riddle "C" LS Well No. 5 and non-standard 299.10-acre coal gas spacing unit are hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division deems necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: U. S. Bureau of Land Management – Farmington
New Mexico Oil Conservation Division – Aztec
File: Case No. 236
Case No. 10072

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

2005 SEP 9

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

Lease Serial No. SF - 078319-A

RECEIVED

070 FARMINGTON, NM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		6. Indian, Allottee or tribe Name	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well Gas <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. Riddle C LS #5	
2. Name of Operator BP AMERICA PRODUCTION COMPANY Attn: Cherry Hlava (281) 366-4081		9. API Well No. 30-045-33336	
3a. Address P.O. BOX 3092 HOUSTON, TX 77079-2064	3b. Phone No. (include area code) 281-366-4081	10. Field and Pool, or Exploratory Basin Fruitland Coal	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 2110' FSL & 925' FWL NESW At proposed prod. Zone SAME AS ABOVE		11. Sec., T., R., M., or Blk, and survey or Area SECTION 30 T31N & R09W K	
14. Distance in miles and direction from nearest town or post office* 11.3 MILES EAST FROM AZTEC, NM		12. County or Parish SAN JUAN	13. State NEW MEXICO
15. Distance from proposed* Location to nearest Property or lease line, ft. (Also to nearest drig. Ujnit line, if any) 500' (NSL applied for)	16. No. of Acres in lease 299.10	17. Spacing Unit dedicated to this well 299.10 NSP 1894	
18. Distance from proposed location* to nearest well, drilling, completed, Applied for, on this lease, ft. est. 500' to MV well	19. Proposed Depth 3514' MD	20. BLM/BIA Bond No. on file WY2924	
21. Elevations (show whether DF, KDB., RT, GL, etc.) 6638' GL	22. Approximate date work will start* 12/15/05	23. Estimated duration 7 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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature Cherry Hlava	Name (Printed/typed) Cherry Hlava	Date 09/06/2005
Title Regulatory Analyst		
Approved by (Signature) [Signature]	Name (Printed/Typed) [Name]	Date 11/3/05
Title AFM	Office FFO	

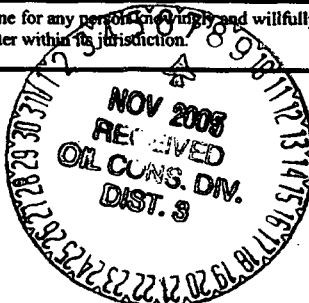
Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct Operations thereon.

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.

*(Instructions on reverse)

HOLD CIVIL FOR NSP



NMOCD

District I,
PO Box 1980, Hous 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

2005 SEP 9 PM 1 31

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-33336	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 000976	Property Name Riddle C LS	Well Number #5
OGRID No. 000778	Operator Name BP AMERICA PRODUCTION COMPANY	Elevation 6638

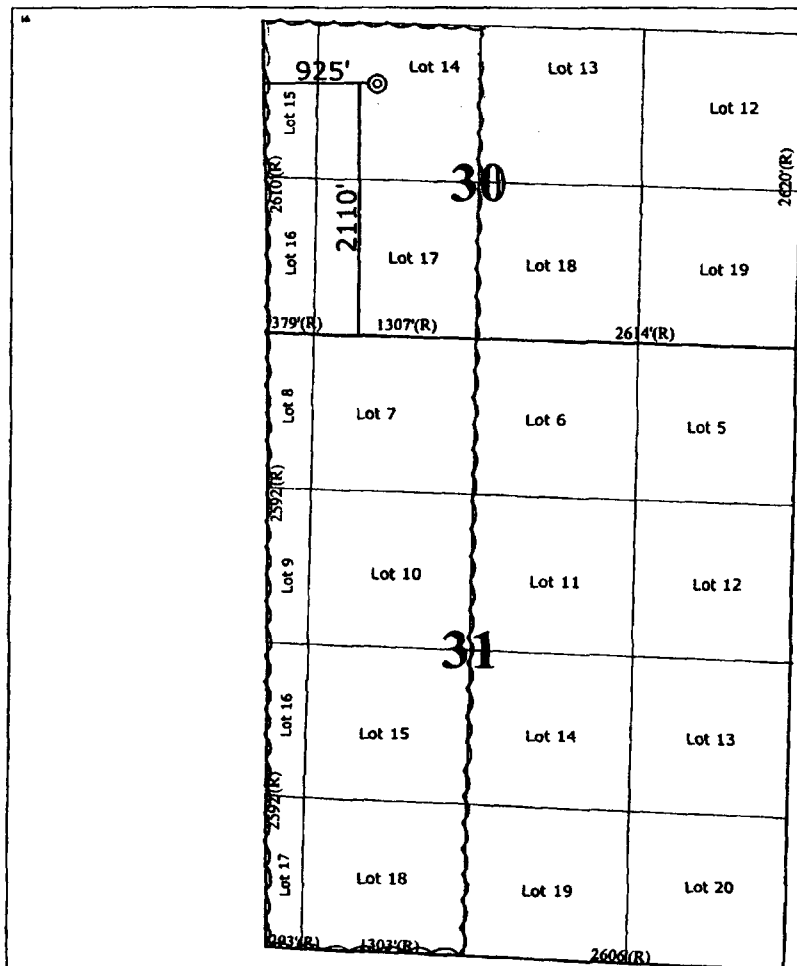
Surface Location

UL or Lot No. K(Lot 14)	Section 30	Township 31 N	Range 9 W	Lot Idn	Feet from the 2110	North/South line SOUTH	Feet from the 925	East/West line WEST	County SAN JUAN
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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 299.10	Joint or Infill	Consolidation Code	Order No. NSP 1894						

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.

Cherry Hlava

Signature

Cherry Hlava

Printed Name

Regulatory Analyst

Title

9-1-05

Date

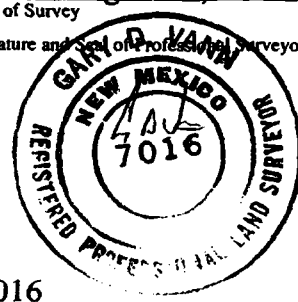
SURVEYOR CERTIFICATION

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.

August 11, 2005

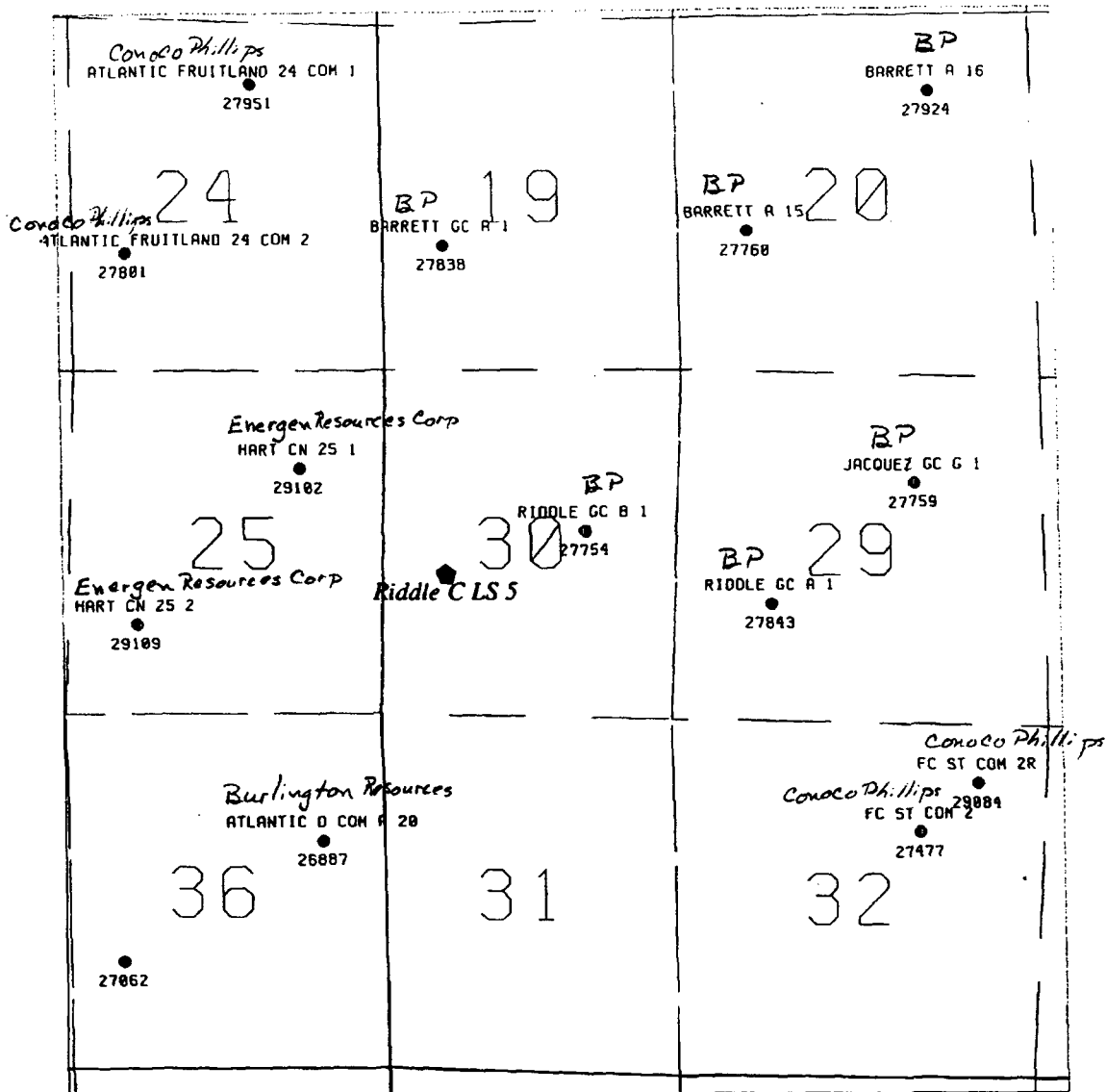
Date of Survey

Signature and Title of Professional Surveyor



7016
Certificate Number

(R) - BLM Record



BP America Production Co. Houston, TX			
T31N R9W Sec. 30 Fruitland Coal Wells Proposed - Riddle C LS 5			
SCALE	DRAWN BY: M. J. RITZ		DATE: 6-SEP-2005
CHECKED BY:			

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

5. Lease Serial No.

SF - 078319-A

6. If Indian, Allottee or tribe Name

455 JUN 5 11 28

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

RECEIVED
070 FARMINGTON, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well



Oil Well



Gas Well



Other

8. Well Name and No.

Riddle C LS 5

2. Name of Operator

BP AMERICA PRODUCTION COMPANY

9. API Well No.

30-045-33336

3a. Address

**PO BOX 3092 HOUSTON, TX
77253**

3b. Phone No. (include area code)

281-366-4081

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

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

2110' FSL & 925' FWL; SEC 30 T31N R09W NESW Mer NMP

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



Notice of Intent



Subsequent Report



Final Abandonment Notice

TYPE OF ACTION



Acidize



Deepen



Production (Start/Resume)



Water shut-Off



Alter Casing



Fracture Treat



Reclamation



Well Integrity



Casing Repair



New Construction



Recomplete



Other **Spud & Set**



Change Plans



Plug and Abandon



Water Disposal



Convert to Injection



Plug Back

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 recomplete 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 recompletion 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.

4/26/06 @9:45 A.M. MIRU & Spud 8 3/4" surface hole. Drill to 210' & set 7" J-55, 23# CSG @207'. Lead w/75 sxs Redi mix, 14.90 ppg; Yield 1.610. CMT LOCKED UP ON DISPLACEMENT. TOP OFF CMT TO SURFACE WITH 1" EQUIP. MIXED 29 ADD.SXS. 3 MIX'S FROM HOPER APPROX. 3 BBL. TIH & drill 6 1/2" hole through approx 160' cement. Pres 1st inside & outside ck & kil valves to 250 low & 750 high to 10 min. ok. TIH; tag cmt @ 172'. Drill 6 1/2" hole to 3597' TD on 5/20/06. Run Gamma Ray. TIH & land 4.5" J-55 10.5# CSG @ 3597'. TIH & cmt 1" stage cmt w/65 sxs 13.5 ppg; Yield 14.6 bbls 50/50 poz: D907, 2% D20, 0.1% D46, 0.25 lb/sk D29, 2% S-1, 0.15% D65-FNM 10. Bump Plug to 961 psi. No CMT returns w/Full Circulation. 2nd Stage w/105 sxs of 9.5 PPG Litecrete w/Yield of 2.52 = 47 bbls. 7 bbl cmt to surface.

14. I hereby certify that the foregoing is true and correct
Name (Printed/typed)

Cherry Hlava

Title **Regulatory Analyst**

Signature

Cherry Hlava

Date **05/31/06**

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

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 Federal or State official any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NOTED FOR RECORD

JUN 06 2006

NMOCD

FARMINGTON FIELD OFFICE

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

5. Lease Serial No.

SF - 078319-A

6. If Indian, Allottee or tribe Name

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

8. Well Name and No.

Riddle C L S 5

9. API Well No.

30-045-33336

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

SAN JUAN, NM

1. Type of Well

☒ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

BP AMERICA PRODUCTION COMPANY

3a. Address

PO BOX 3092 HOUSTON, TX
77253

3b. Phone No. (include area code)

281-366-4081

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

2110' FSL & 925' FWL; SEC 30 T31N R09W NESW Mer NMP

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water shut-Off
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Casing Repair ☐ New Construction ☐ Recomplete ☐ Other **Correct 4 1/2" Casing Depth**
☐ Change Plans ☐ Plug and Abandon ☐ Water Disposal
☐ Convert to Injection ☐ Plug Back

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.

The Spud & Set report that was submitted on 5/31/06 and approved 6/6/06 has the 4 1/2" casing at 3597'. The correct depth is 3389'. There is cement up to the Expandable Casing Packer - bottom @2964, which is top of cement for 1st stage 4 1/2" casing. Ov @ 2964'

14. I hereby certify that the foregoing is true and correct
Name (Printed/typed)

Cherry Hlava

Title Regulatory Analyst

Signature

Cherry Hlava

Date 07/28/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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AUG 02 2006

NMOCB

FARMINGTON FIELD OFFICE