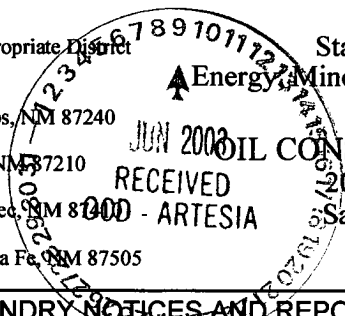


Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87400
District IV
2040 South Pacheco, Santa Fe, NM 87505



State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

| |
|---|
| WELL API NO. 30-015-32421 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name: RED LAKE 3 STATE |
| 8. Well No. 1 |
| 9. Pool name or Wildcat EMPIRE: MORROW, SOUTH (GAS) |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well Gas Well Other

2. Name of Operator
BP AMERICA PRODUCTION COMPANY

3. Address of Operator
501 WESTLAKE PARK BLVD. RM 6.138; HOUSTON, TEXAS 77079

4. Well Location
Unit Letter E : 1720 feet from the NORTH line and 1075 feet from the WEST line
Section 3 Township 18S Range 28E NMPM County EDDY

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
3658' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

| | | | |
|--|--|---|---|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input checked="" type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPLETION <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SEE ATTACHED WELLBORE SCHEMATIC FOR PROPOSED PLUGGING PROCEDURE.

TOP OF WOLFCAMP @ 7404': SET CIBP @ 7600 & SPOT 75 SXS PLUG FROM 7600'-7300'.
TOP OF BONESPRINGS @ 7068': CMT W/ 25 SXS @ 4068': CMT W/ 25 SXS
TOP OF GLORIETA @ 3891': CMT W/ 25 SXS 2940'
SET 100' PLUG FROM 3040' ~~2490'~~ (TAG TOP OF PLUG)
TOP OF YATES @ 861': CMT W/ 25 SXS
SET 100' PLUG FROM 528'-428' (TAG TOP OF PLUG)
PERF @ 60' & SQUEEZE W/ 25 SXS CMT

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Amy T. Spang TITLE REGULATORY ANALYST DATE 6/5/03

Type or print name AMY T. SPANG Telephone No. 281/366-7655

(This space for State use)

APPROVED BY [Signature] TITLE Field Rep DATE JUN 11 2003
Conditions of approval, if any:

Proposed Plugging Procedure

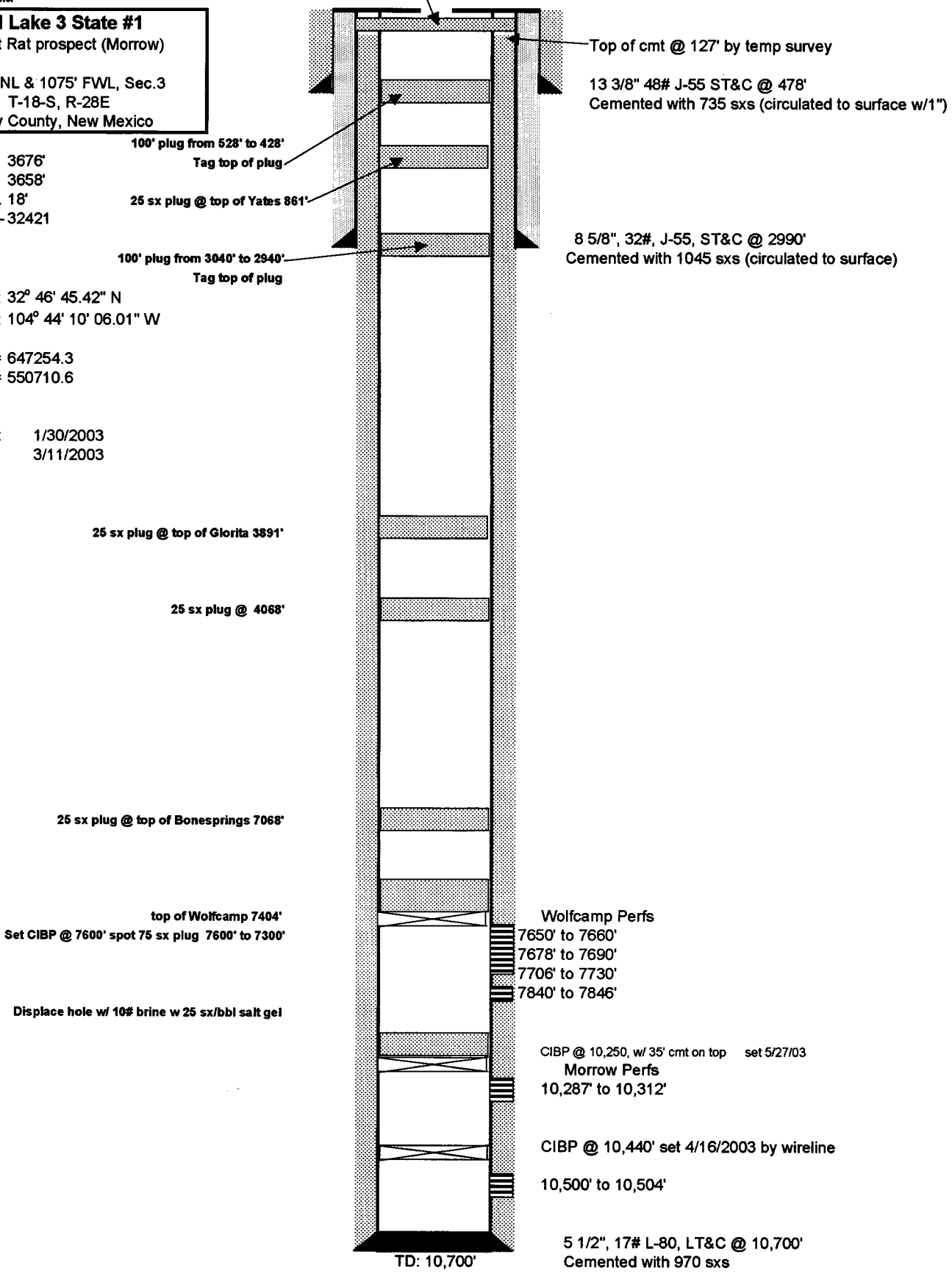


Red Lake 3 State #1
 Desert Rat prospect (Morrow)
 1720' FNL & 1075' FWL, Sec.3
 T-18-S, R-28E
 Eddy County, New Mexico

RKB 3676'
 GL 3658'
 RKB-GL 18'
 API # 30-015-32421
 NM Lse #:
 NAD 27:
 LAT: 32° 46' 45.42" N
 LONG: 104° 44' 10' 06.01" W
 Y= 647254.3
 X= 550710.6

Spud: 1/30/2003
 RR: 3/11/2003

Perf @ 60' & sq w/ 25 sxs



Displace hole w/ 10# brine w 25 sx/bbl salt gel

Wolfcamp Perfs
 7650' to 7660'
 7678' to 7690'
 7706' to 7730'
 7840' to 7846'

CIBP @ 10,250, w/ 35' cmt on top set 5/27/03
 Morrow Perfs
 10,287' to 10,312'

CIBP @ 10,440' set 4/16/2003 by wireline
 10,500' to 10,504'

5 1/2", 17# L-80, LT&C @ 10,700'
 Cemented with 970 sxs

TD: 10,700'