District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

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

| BP AMERICA PRO | Operator Name and Address BP AMERICA PRODUCTION COMPANY | | | | | |
|---------------------------------|---|----------------------------|--|--|--|--|
| PO Box 3092 Houston, TX 7725 | 73 | API Number 30-025-36623 | | | | |
| Property Code 33559 | Property Name State Flounder | Well No. 001 | | | | |

Surface Location

| UL or Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| C | 30 | 17S | 35E | C | 480 | N | 1980 | W | Lea |

Proposed Pools

VACUUM;ABO, NORTH 61760 VACUUM;WOLFCAMP 62340

| Work Type New Well | Well Type OIL | Cable/Rotary | Lease Type State | Ground Level Elevation 3987 |
|-----------------------|------------------|--------------|---------------------|-----------------------------|
| Multiple | Proposed Depth | Formation | Contractor | Spud Date |
| Y | 10200 | Wolfcamp | | 05/01/2004 |

Proposed Casing and Cement Program

| Туре | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25 | 9.625 | 36 | 1680 | 270 | 0 |
| Prod | 8.75 | 5.5 | 17 | 10200 | 900 | 4400 |

Casing/Cement Program: Additional Comments

Our intent is to set a 20 conductor pipe at 40. Surface hole 24.

Proposed Blowout Prevention Program

| - · · · · · · · · · · · · · · · · · · · | | | | | | | | |
|---|------|---------------|---------------|--|--|--|--|--|
| Type Working Pressure | | Test Pressure | Manufacturer | | | | | |
| Double Ram | 3000 | 1500 | Williams Tool | | | | | |

| I hereby certify that the information given above is true and | OIL CONSERVATION DIVISION | | | | | |
|---|---|--|--|--|--|--|
| complete to the best of my knowledge and belief. | Electronically Approved By: Paul Kautz | | | | | |
| Electronically Signed By: Mary Corley | Title: Geologist | | | | | |
| Title: Manager | Approval Date: 03/03/2004 Expiration Date: 03/03/2005 | | | | | |
| Date: 03/03/2004 Phone: 281-366-4491 | Conditions of Approval: No Conditions | | | | | |

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number 30-025-36623 | Pool Name VACUUM;WOLFCAMP | Pool Code 62340 |
|-------------------------|---|--------------------|
| Property Code 33559 | Property Name State Flounder | Well No. 001 |
| OGRID No. 778 | Operator Name BP AMERICA PRODUCTION COMPANY | Elevation 3987 |

Surface And Bottom Hole Location

| UL or Lot | Section 30 | Township 17S | Range 35E | Lot Idn C | Feet From 480 | N/S Line N | Feet From 1980 | E/W Line W | County Lea |
|-----------|------------|-----------------|--------------|--------------|---------------|---------------|-------------------|---------------|---------------|
| | ted Acres | Joint or | Infill | Consoli | dation Code | | Order I | No. | |

| | | | OPERATOR CERTIFICATION |
|--------------------------|---|-------|---|
| | 000000000000000000000000000000000000000 | | I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. |
| unananananananananananan | | | Electronically Signed By: Mary Corley |
| | as as as as | 60 | Title: Manager |
| | | 0.000 | Date: 03/03/2004 |
| | | | 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: Ronald Eidson |
| | | | Date of Survey: 02/24/2004 |
| | | 30 | Certificate Number: 3239 |

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number 30-025-36623 | Pool Name VACUUM;ABO, NORTH | Pool Code 61760 |
|-------------------------|---|--------------------|
| Property Code 33559 | Property Name State Flounder | Well No. 001 |
| OGRID No. 778 | Operator Name BP AMERICA PRODUCTION COMPANY | Elevation 3987 |

Surface And Bottom Hole Location

| UL or Lot | Section 30 | Township 17S | Range 35E | Lot Idn C | Feet From 480 | N/S Line N | Feet From 1980 | E/W Line W | County Lea |
|-----------|------------|-----------------|--------------|--------------|---------------|---------------|-------------------|---------------|---------------|
| | ted Acres | Joint or | Infill | Consoli | dation Code | | Order I | No. | |

| | | | | OPERATOR CERTIFIC |
|---|-------------------------------|---|----------------------------|---|
| | | | | I hereby certify that the information cont and complete to the best of my knowledge |
| enenenenenenenenenenen | s enanananananananananananana | enenenenenenenenenenenene | ananananananananananananan | Electronically Signed By: Mary Corley |
| | | | | Title: Manager |
| | | | | Date: 03/03/2004 |
| | | | | |
| *************************************** | | *************************************** | | SURVEYOR CERTIFIC |
| | | | | I hereby certify that the well location sho plotted from field notes of actual surveys my supervision, and that the same is true of my belief. |
| | | | | Surveyed By: Ronald Eidson |
| | | | | Date of Survey: 02/24/2004 |
| | | | 000 | Certificate Number: 3239 |

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ıtained herein is true ge and belief.

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hown on this plat was ys made by me or under ue and correct to the best