

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	2004 JUN 30 PM 2 52	5. Lease Number SF-077754-A Unit Reporting Number
1b. Type of Well GAS	RECEIVED 070 FARMINGTON NM	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company	SEP 2004	7. Unit Agreement Name
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700		8. Farm or Lease Name Kelly B 9. Well Number #1B
4. Location of Well 2405' FNL, 2395' FWL Latitude 36° 49.6014'N, Longitude 107° 54.4112'		10. Field, Pool, Wildcat Blanco Mesaverde/ Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) W F Sec. 8, T30N, R10W API # 30-045-32452
14. Distance in Miles from Nearest Town 5.6 miles to Hwy 550 and Hwy 173 North of Aztec	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 2395'		
16. Acres in Lease	17. Acres Assigned to Well DK 320 N/2 MV 320 N/2	
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 1530'		
19. Proposed Depth 7519'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6353' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Joni Clark</u> Regulatory/Compliance Specialist	<u>6/2/04</u> Date	

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE AFA DATE 7-22-04

Archaeological Report attached

Threatened and Endangered Species Report attached

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 18 U.S.C. Section 1001, makes 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 presentations as to any matter within its jurisdiction.

HOLD C104 FOR NSL

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

NMOCD

ON-LENDING ACTIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045 <u>32452</u>		*Pool Code 72319/71599	*Pool Name Blanco Mesaverde/Basin Dakota
*Property Code 7220	*Property Name KELLY B		*Well Number 18
*GRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP		*Elevation 6353'

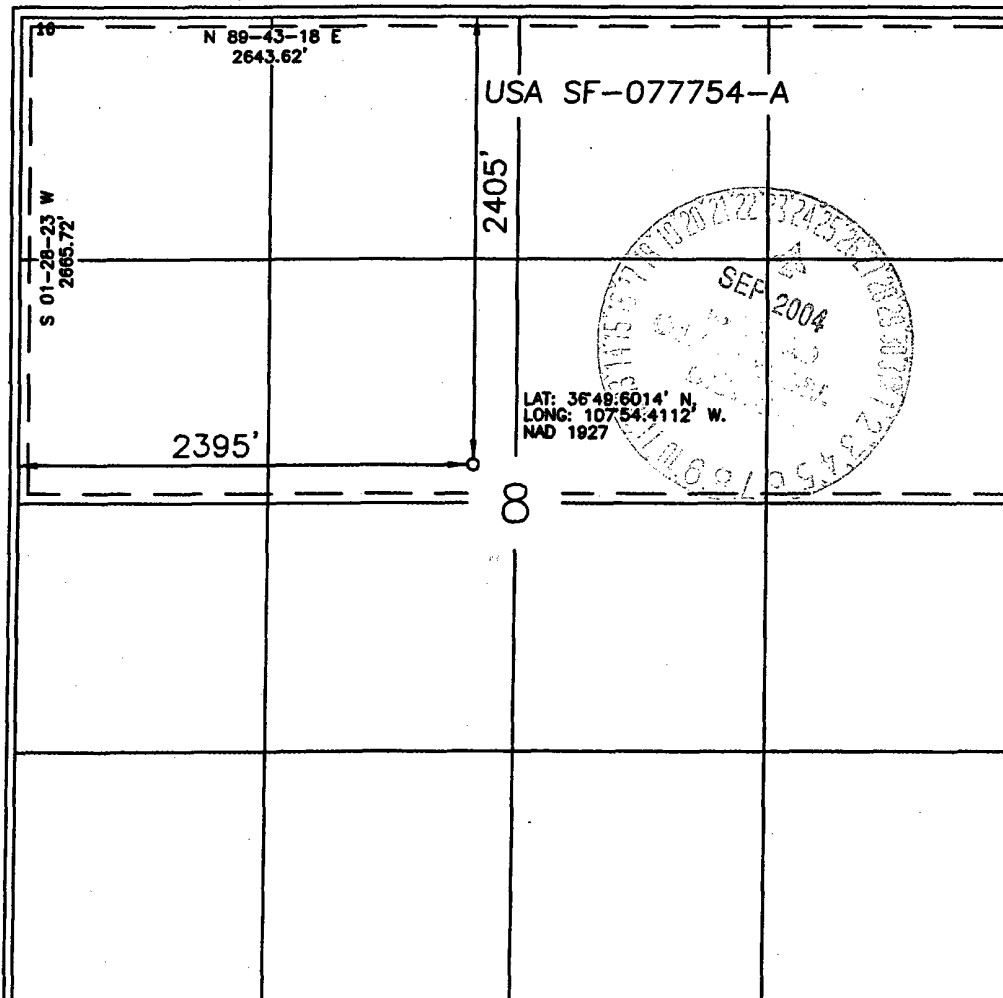
¹⁰ Surface Location

UL or lot no. F	Section 8	Township 30-N	Range 10-W	Lot Idn	Feet from the 2405'	North/South line NORTH	Feet from the 2395'	East/West line WEST	County SAN JUAN
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¹¹ 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 DK N/2 320 MV N/2 320			*Joint or Infill		*Consolidation Code		*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



17 OPERATOR CERTIFICATION

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

Signature Joni Clark
Printed Name Joni Clark
Title Regulatory Specialist
Date 6/2/04

18 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.

Date of Survey 6/2/04
Signature and Seal of Professional Surveyor:
Glen W. Russell
Certificate Number 15703

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 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

March 4, 2004

WELL API NO.

30-045-

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

SF-077754-A

7. Lease Name or Unit Agreement Name
Kelly B

8. Well Number

1B

9. OGRID Number

14538

10. Pool name or Wildcat

Blanco Mesaverde/Basin Dakota

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

Burlington Resources Oil & Gas Company LP

3. Address of Operator

3401 E. 30th Street, Farmington, NM 87402

4. Well Location

Unit Letter F : 2405 feet from the North line and 2395 feet from the West line

Section 8 Township 30N Range 10W NMPM San Juan County, NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL F Sect 8 Twp 30N Rng 10W Pit type New Depth to Groundwater >100' Distance from nearest fresh water

well >1000' Distance from nearest surface water >1000' Below-grade Tank Location UL Sect Twp Rng ;

feet from the line and feet from the line

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: New Drill Pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. 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.

Burlington Resources proposes to construct a new drill pit. The new drill pit will be an unlined pit as detailed in Burlington's general pit construction plan dated April 26, 2004 on file at the NMOCD office.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

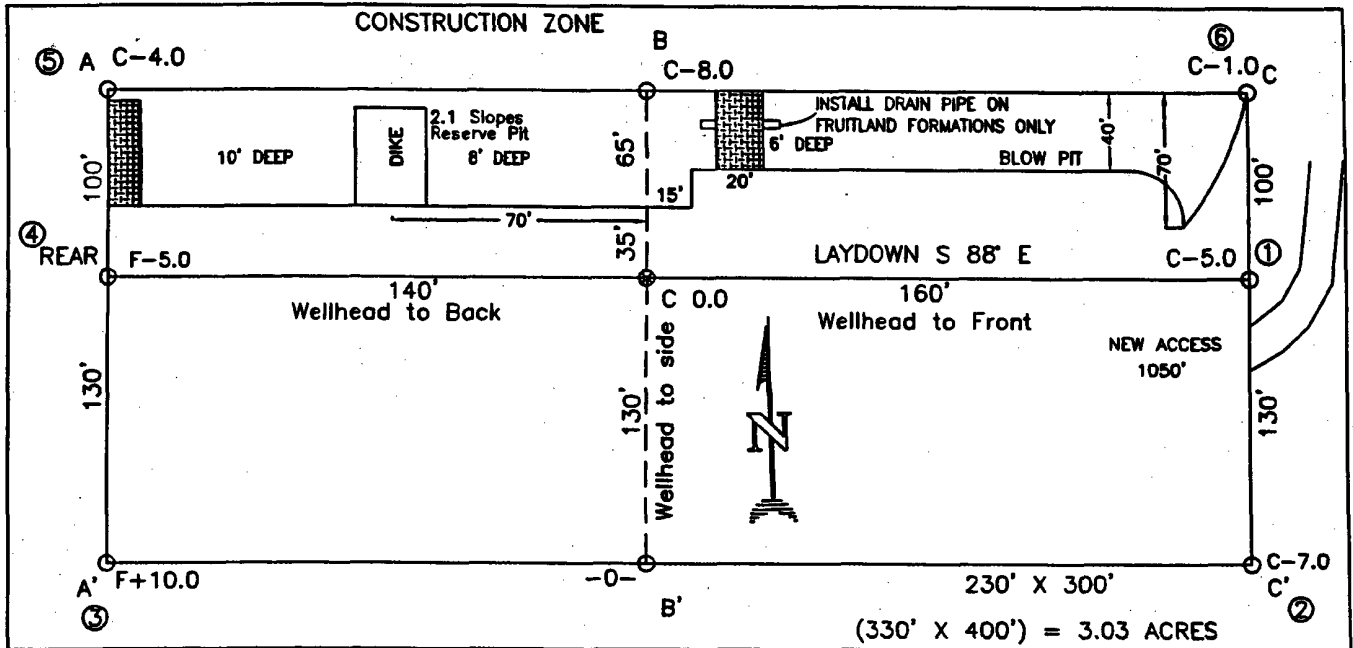
SIGNATURE Cassady Harraden TITLE Regulatory Specialist DATE 5/27/04

Type or print name Cassady Harraden E-mail address: charraden@br-inc.com Telephone No. 326-9700

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. IV DATE SEP 24 2004

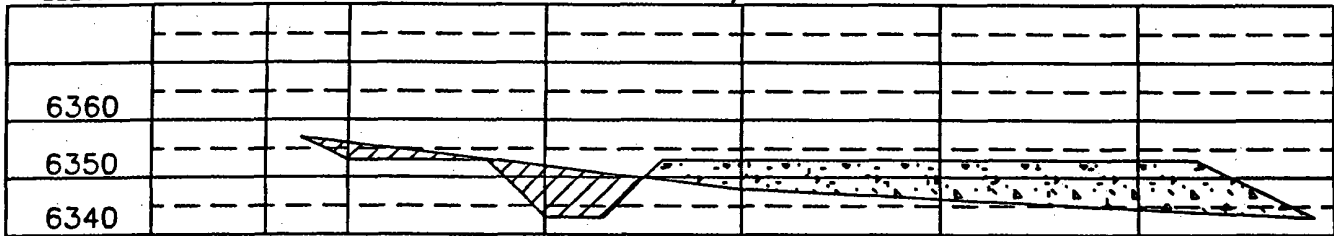
Conditions of approval, if any:



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

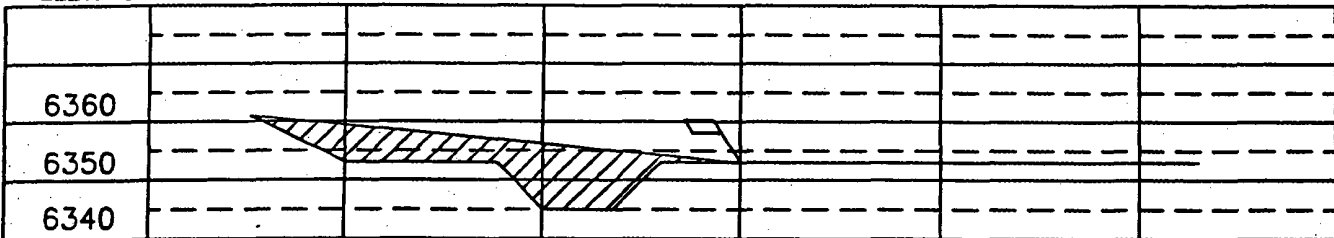
ELEV. A-A'

C/L

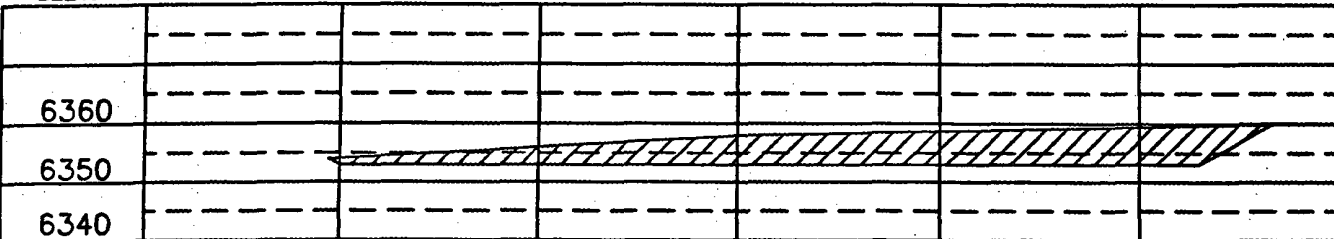


ELEV. B-B'

C/L



ELEV. C-C'



NOTE: VECTOR SURVEYS IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.
CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES
ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

OPERATIONS PLAN

Well Name: Kelly B #1B
Location: 2405' FNL, 2395' FWL, Section 8, T-30-N, R-10-W
San Juan County, New Mexico
Latitude 36° 49.6014'N, Longitude 107° 54.4112'W
Formation: Basin Dakota/ Blanco Mesaverde
Elevation: 6353' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	1625'	
Ojo Alamo	1625'	1675'	aquifer
Kirtland	1675'	2710'	gas
Fruitland	2710'	2965'	
Pictured Cliffs	2965'	3085'	gas
Lewis	3085'	3690'	gas
Intermediate TD	3185'		
Huerfanito Bentonite	3690'	3997'	gas
Chacra	3997'	4480'	gas
UpperCliff House	4480'	4560'	
Massive Cliff House	4560'	4765'	
Menefee	4765'	5255'	gas
Point Lookout	5255'	5595'	gas
Mancos	5595'	6478'	gas
Gallup	6478'	7218'	gas
Greenhorn	7218'	7277'	gas
Graneros	7277'	7323'	gas
Dakota	7323'	7418'	gas
Upper Cubero	7458'	7519'	
Encinal	7519'		
TD	7519'		

Logging Program:

Open Hole - No open hole logs required at TD.
Cased Hole - GR/ CBL

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 120'	Spud MUD/Air/Air Mist	8.4-9.0	40-50	no control
120- 3185'	Water/LSND	8.4-9.0	30-60	no control
3185- 7519'	Air/Air Mist/Nitrogen	n/a	n/a	n/a

Casing Program (as listed, the equivalent, or better):

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 120'	9 5/8"	32.3#	H-40
8 3/4"	0' - 3185'	7"	20.0#	J-55
6 1/4"	0' - 7519'	4 1/2"	10.5#	J-55

Tubing Program: 0' - 7519' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

Intermediate TD to Total Depth -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

7 1/16" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

9 5/8" x 7" x 4 1/2" x 2 3/8" x 2000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- BOP pit level drill will be conducted weekly for each drill crew.
- All BOP tests & drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

9 5/8" surface casing -

Pre-Set Drilled Cement with 23 sx Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (37 cu ft of slurry, bring cement to surface) Wait on cement for 24 hours for pre-set holes before pressure testing or drilling out from under surface.

9 5/8" surface casing conventionally drilled -

Cement with 88 sacks Type III cement with 0.25 pps Celloflake, 3% calcium chloride. (113 cu.ft.-200% excess, bring cement to surface). Wait on cement appropriate time until cement achieves 250 psi compressive strength at 60 degrees F. prior to nipple up of BOPE. Wait on cement for 8 hrs for conventionally set holes before pressure testing or drilling out from under surface.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing -

Lead with 281 sacks Premium Lite cement with 3% calcium chloride, 0.25 pps Celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate. Tail w/90 sacks Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss (721 cu ft- 50% excess to circulate to surface.) WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL or a temperature survey will be run to determine TOC. Test casing to 1500 psi for 30 minutes.

7" intermediate casing alternative two stage: Stage collar set 300' above the top of the Fruitland. First stage: Lead w/28 sxs Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% sodium metasilicate, 0.4% fluid loss. Tail w/90 Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. Second stage: Cmt w/252 sxs Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (721 cu ft-50% excess to circulate to surface).

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every third joint off bottom, to the base of the Ojo Alamo @ 1675'. Two turbolating centralizers at the base of the Ojo Alamo 1675'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Liner/Casing -

Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Cement with 298 sacks Premium Lite HS w/ 0.25 pps Celloflake, 0.3% CD-32, 6.25 pps LCM-1 and 1% FL-52. (590 cu. ft.-30% excess to cement 4 1/2" x 7" overlap). WOC a minimum of 18 hrs prior to completing.

Cement float collar stacked on top of float shoe.

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. The liner hanger will have a rubber packoff.

- If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.

Special Drilling Operations (Air/Mist Drilling):

The following equipment will be operational while air/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The blooie line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

Additional Information:

- The Mesa Verde and Dakota formations will be completed and commingled.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

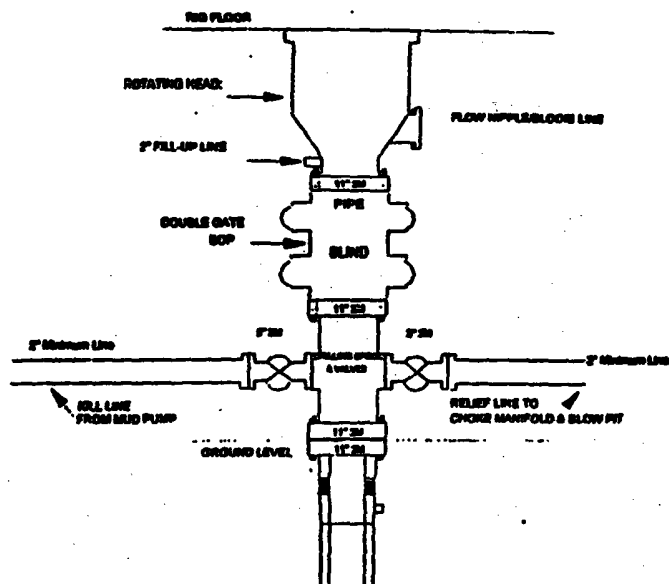
Fruitland Coal	300 psi
Pictured Cliffs	600 psi
Mesa Verde	700 psi
Dakota	2500 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The Mesaverde formation and the Dakota formation are the N/2 320 of section 8.
- This gas is dedicated.

Sean Corrigan
Drilling Engineer

June 10, 2004
Date

Burlington Resources

Drilling Rig 2000 psi System



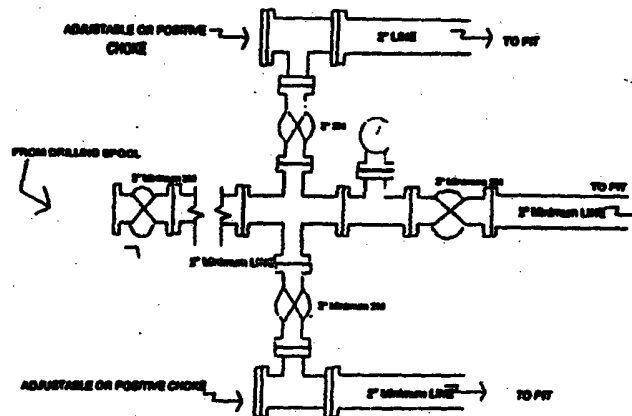
SOP installed from Surface Casing Point to Total Depth. 11\"/>

Figure #1

4-20-01

BURLINGTON RESOURCES

Drilling Rig Choke Manifold Configuration 2000 psi System

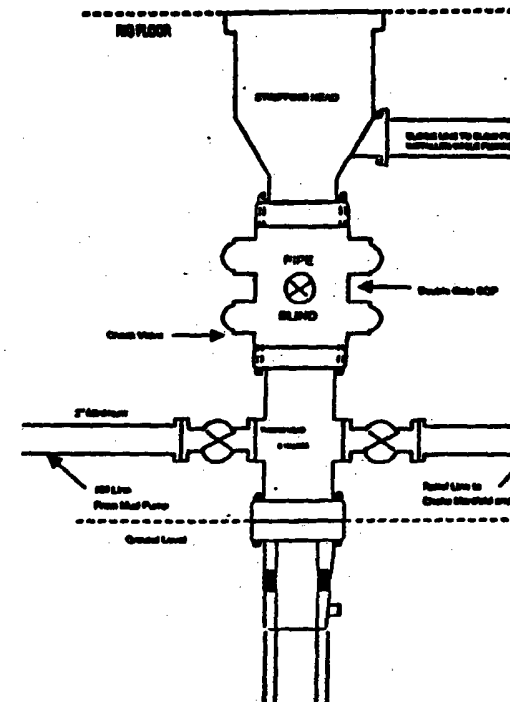


Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

BURLINGTON RESOURCES

Completion/Workover Rig BOP Configuration 2000 psi System



Minimum BOP installation for all Completion/Workover Operations. 7-1/16\"/>

Figure #2

4-20-01