UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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070 Farmington, NM

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a.	**Type of Work** DRILL	**5. Lease Number** SF-080670 **Unit Reporting Number**
1b.	**Type of Well** GAS	**6. If Indian, All. or Tribe**
2.	**Operator** BURLINGTON RESOURCES Oil & Gas Company	**7. Unit Agreement Name** San Juan 27-4 Unit
3.	**Address & Phone No. of Operator** PO Box 4289, Farmington, NM 87499 (505) 326-9700	**8. Farm or Lease Name** San Juan 27-4 Unit **9. Well Number** #58M
4.	**Location of Well** 1500' FSL, 580' FEL Latitude 36° 31.6253'N, Longitude 107° 17.0669'W	**10. Field, Pool, Wildcat** Blanco Mesaverde/Basin Dakota **11. Sec., Twn, Rge, Mer. (NMPM)** I Sec. 31, T27N, R04W **API # 30-039-** 27647
14.	**Distance in Miles from Nearest Town** 102 miles to Bloomfield	**12. County** Rio Arriba ✓ **13. State** NM
15.	**Distance from Proposed Location to Nearest Property or Lease Line** 580'	
16.	**Acres in Lease**	**17. Acres Assigned to Well** 322 S/2 DK 320 E/2 MV
18.	**Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease** 1000'	
19.	**Proposed Depth** 8348'	**20. Rotary or Cable Tools** Rotary
21.	**Elevations (DF, FT, GR, Etc.)** 7141' GR	**22. Approx. Date Work will Start**
23.	**Proposed Casing and Cementing Program** See Operations Plan attached	

24. **Authorized by:** Joni Clark — Regulatory/Compliance Specialist — Date: 2-6-04

PERMIT NO. _____ **APPROVAL DATE** _____

APPROVED BY _____ **TITLE** AFM **DATE** 1-31-05

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.

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

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

NMOCD

PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹API Number	²Pool Code	³Pool Name
30-039- 27647	72319/71599	Blanco Mesaverde/Basin Dakota

⁴Property Code	⁵Property Name	⁶Well Number
~~7254~~ 7452	SAN JUAN 27-4 UNIT	58M

⁷OGRID No.	⁸Operator Name	⁹Elevation
14538	BURLINGTON RESOURCES OIL & GAS COMPANY	7141'

¹⁰Surface Location

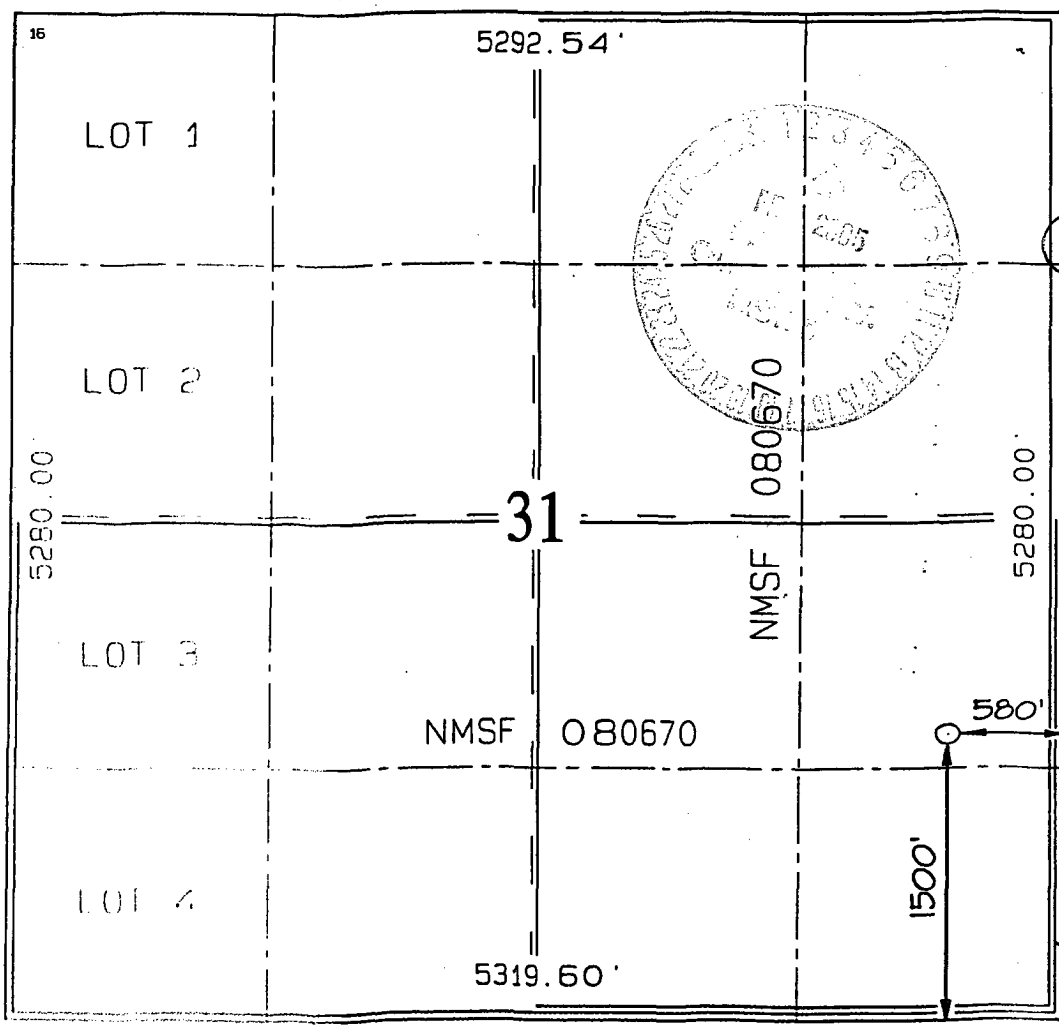
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	31	27N	4W		1500	SOUTH	580	EAST	RIO ARRIBA

¹¹Bottom 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

¹²Dedicated Acres	¹³Joint or Infill	¹⁴Consolidation Code	¹⁵Order No.
MV-E/320 DK-S/322.0			

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



¹⁷OPERATOR CERTIFICATION

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

Joni Clark
Signature

Joni Clark
Printed Name

Regulatory Specialist
Title

2-6-04
Date

¹⁸SURVEYOR 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.

NOVEMBER 5, 1999
Date of Survey

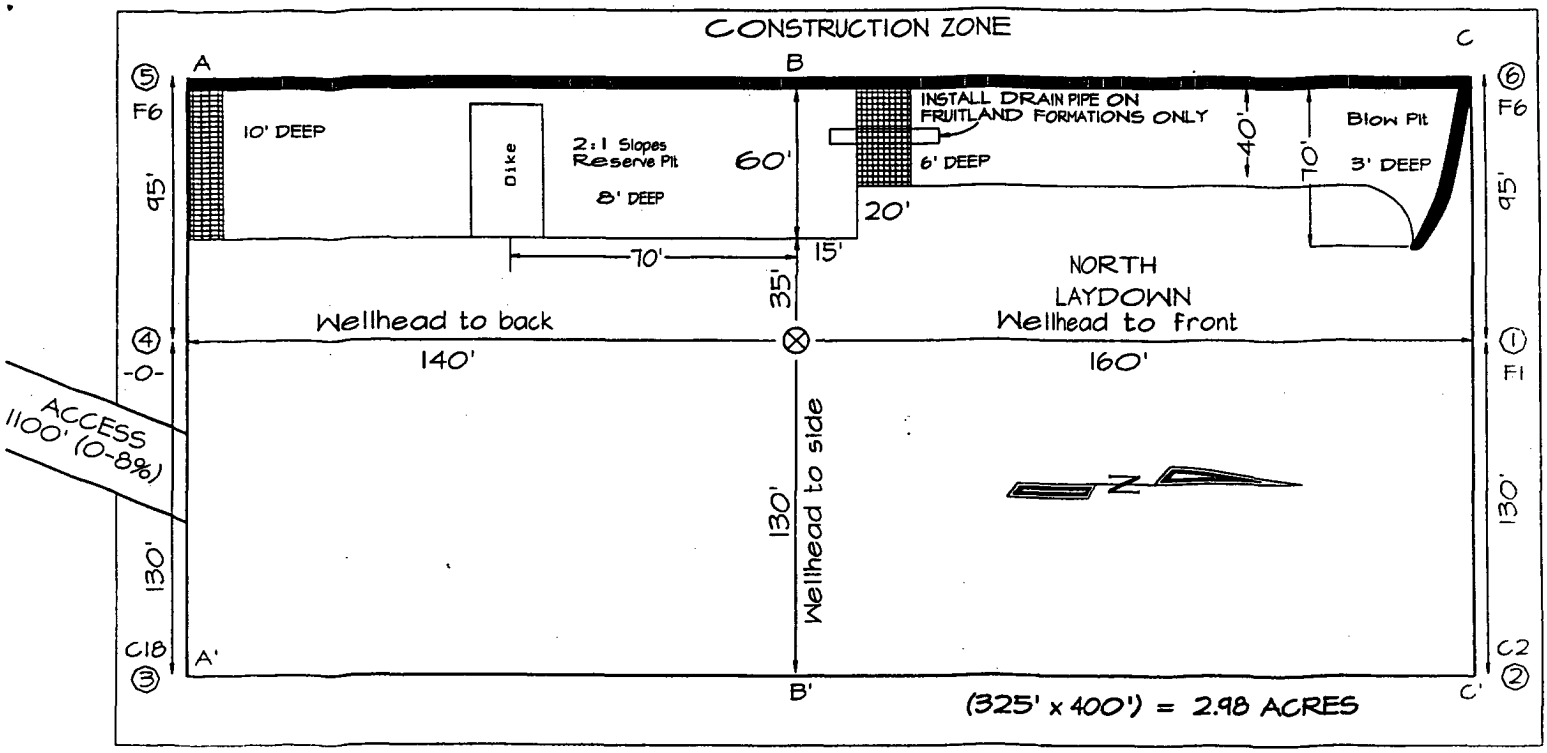
Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

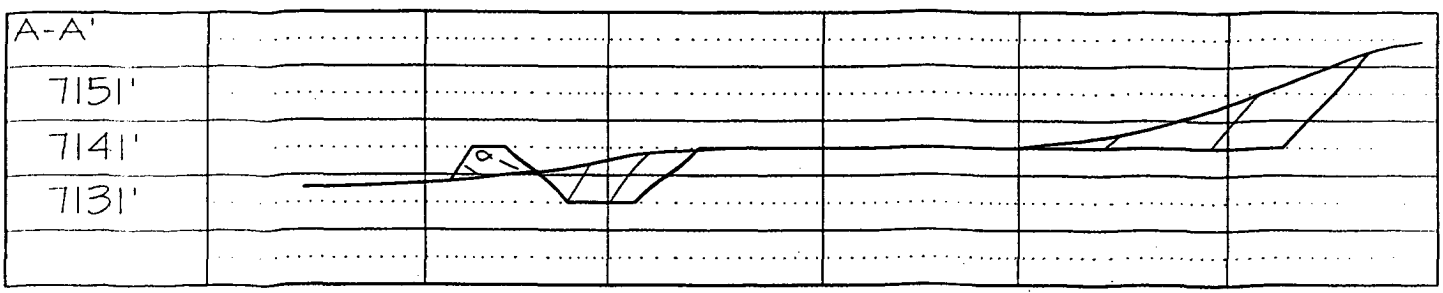
Certificate Number 6857

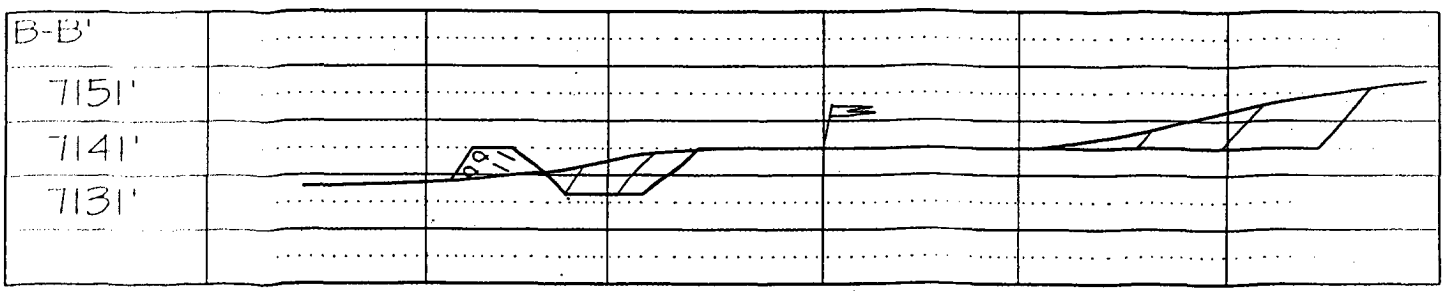
PLAT #1

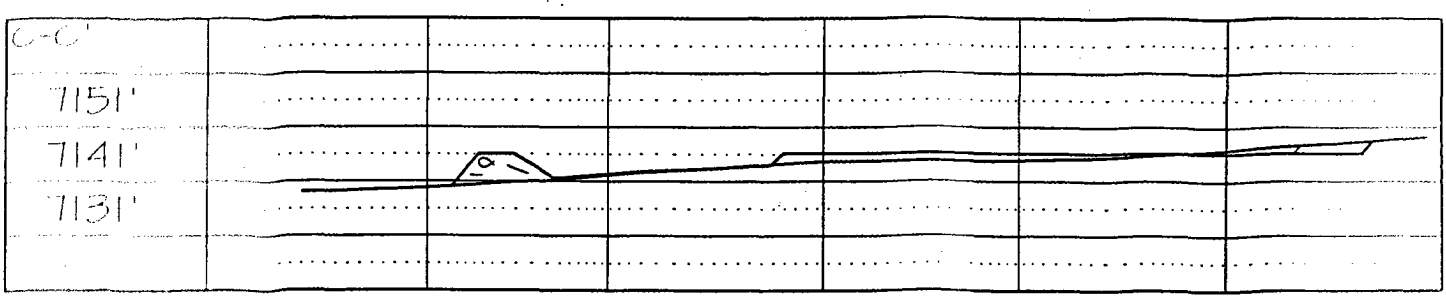
BURLINGTON RESOURCES OIL & GAS COMPANY
SAN JUAN 27—4 UNIT #58M, 1500' FSL & 580' FEL
SECTION 31, T27N, R4W, NMPM, RIO ARRIBA COUNTY, NEW MEXICO
GROUND ELEVATION: 7141' DATE: NOVEMBER 5, 1999



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.







Note: 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: San Juan 27-4 Unit #58M
Location: 1500'FSL, 580'FEL, Sec 31, T-27-N, R-4-W
Rio Arriba County, NM
Latitude 36° 31.63'N Longitude 107° 17.07'W

Formation: Blanco Mesaverde/Basin Dakota

Formation Tops:	***Top***	***Bottom***	***Contents***
Surface	San Jose	3390'	
Ojo Alamo	3390'	3553'	aquifer
Kirtland	3553'	3734'	gas
Fruitland	3734'	3929'	
Pictured Cliffs	3929'	4148'	gas
Lewis	4148'	4405'	gas
Intermediate TD	**4248'**		
Huerfanito Bentonite	4405'	4909'	gas
Chacra	4909'	5488'	gas
Upper Cliff House	5488'	5589'	
Massive Cliff House	5589'	5717'	
Menefee	5717'	6076'	gas
Point Lookout	6076'	6363'	gas
Mancos	6363'	7228'	gas
Gallup	7228'	8026'	gas
Greenhorn	8026'	8084'	gas
Graneros	8084'	8105'	gas
Dakota	8105'	8239'	gas
Upper Cubero	8239'	8276'	gas
Lower Cubero	8276'	8301'	gas
Oak Canyon	8301'	8348'	
Encinal	8348'		
TD	**8348'**		

Logging Program:
Mud Logs/Coring/DST -
Mud logs - none
Coring - none
DST - none
Open hole - none
Cased hole - Gamma Ray, CCL, CBL - surface to TD

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0- 200'	Spud MUD/Air/Air Mist	8.4-9.0	40-50	no control
200- 4248'	LSND	8.4-9.0	30-60	no control
4248- 8348'	Air/Air Mist/Nitrogen	n/a	n/a	n/a

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

Hole Size	Depth Interval	Csg.Size	Wt.	Grade
12 1/4"	0' - 200'	9 5/8"	32.3#	H-40
8 3/4"	0' - 4000'	7"	20.0#	J-55
8 ¾"	4000' - 4248'	7"	23.0#	N-80
6 1/4"	0' - 7800'	4 1/2"	10.5#	J-55
6 ¼"	7800' - 8348'	4 ½"	11.6#	N-80

Tubing Program: 0' - 8348' 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 ½" x2 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 conventionally drilled - → 147 sx, Type III

Cement with ~~88 sacks Premium Lite~~ cement with 0.25 pps Celloflake, 3% calcium chloride. (188 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 387 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 (948 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 with 28 sacks Premium Lite cmt w/3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% sodium metascilicate, 0.4% fluid loss. Tail w/90 Type III cmt w/1%calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. Second stage: Lead with 358 sacks with Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (948 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 other joint off bottom, to the base of the Ojo Alamo @ 3553'. Two turbolating centralizers at the base of the Ojo Alamo 3553'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Casing -
Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Cement with 282 sacks Premium Lite HS w/ 0.25 pps Celloflake, 0.3% CD-32, 6.25 pps LCM-1 and 1% FL-52. (559 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 the 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

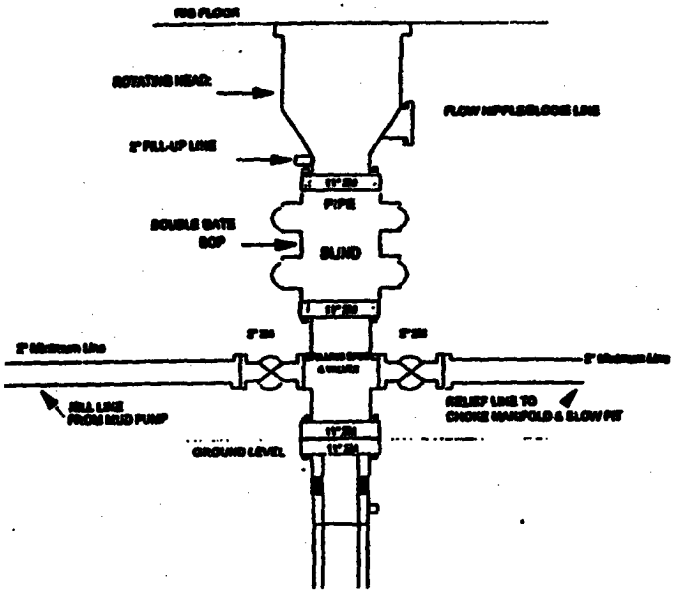
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The east half of Section 31 is dedicated to the Mesa Verde and the South 322 acres is dedicated to Dakota.
- This gas is dedicated.

Sean Corrigan
Drilling Engineer

February 25, 2004
Date

Burlington Resources

Drilling Rig
2000 psi System



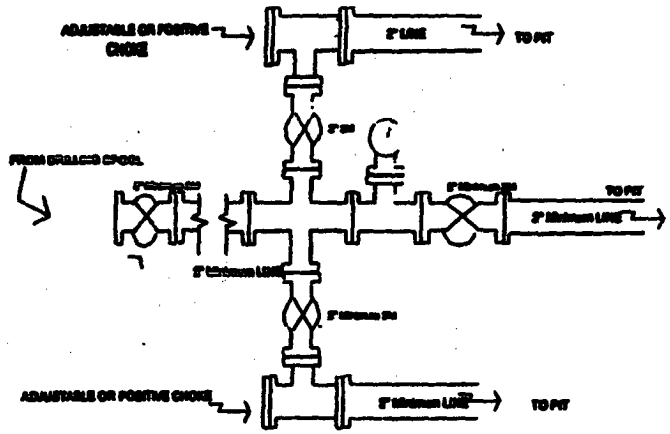
BOP Installation from Surface Casing Point to Total Depth. 11" Bore 10" Nominal, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 600 psi rotating head on top of ram preventers. All BOP equipment is 2,000 psi working pressure

Figure #1

4-20-01

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System

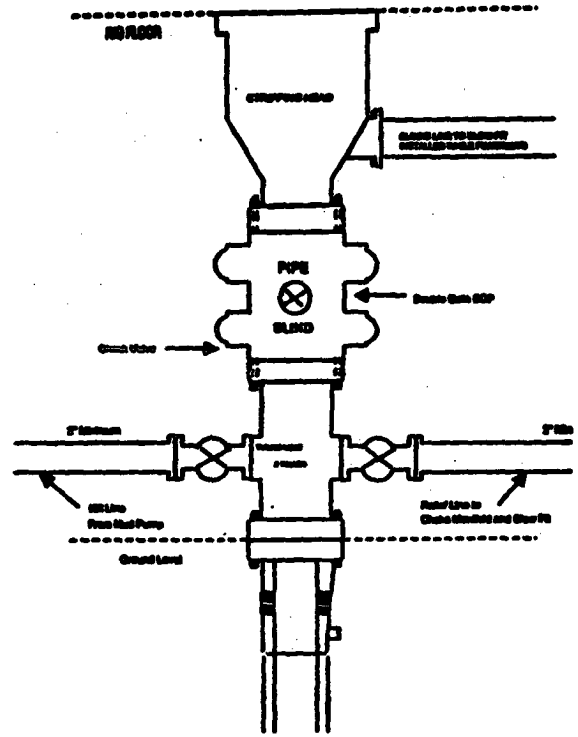


Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

BURLINGTON RESOURCES

Completion/Workover Rig
BOP Configuration
2,000 psi System



Minimum BOP installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 600 psi stripping head.

Figure #2

4-20-01