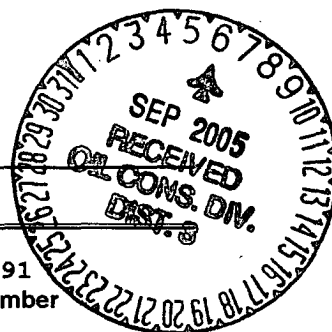


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work  
DRILL

2005 JUL 32 PM 2 37

5. Lease Number  
NMSF-079391  
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

7. Unit Agreement Name  
San Juan 27-5 Unit

3. Address & Phone No. of Operator  
PO Box 4289, Farmington, NM 87499  
(505) 326-9700

8. Farm or Lease Name  
San Juan 27-5  
9. Well Number  
#163N

4. Location of Well  
Unit F (SENW), 1955' FNL, 2145' FWL

10. Field, Pool, Wildcat  
Blanco Mesaverde/ Basin Dakota

Latitude 36° 34.5732'N  
Longitude 107° 24.1048'W

F 11. Sec., Twn, Rge, Mer. (NMPM)  
Sec. 18, T27N, R5W  
API # 30-045-39-29609

14. Distance in Miles from Nearest Town  
11 miles to Gobernador, NM

12. County  
San Juan  
Rio Arriba  
13. State  
NM

15. Distance from Proposed Location to Nearest Property or Lease Line  
1955'

16. Acres in Lease

17. Acres Assigned to Well  
321.08 W/2 MV/DK

18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease  
1540'- San Juan 27-5 Unit 163M

19. Proposed Depth  
7640'

20. Rotary or Cable Tool  
Rotary

21. Elevations (DF, FT, GR, Etc.)  
6443' GL

22. Approx. Date Work will Start

23. Proposed Casing and Cementing Program  
See Operations Plan attached

24. Authorized by: Amanda Sandoval  
Regulatory Compliance Assistant II

8-1-05  
Date

PERMIT NO.

APPROVAL DATE

APPROVED BY Wayne Johnson

TITLE Acting AFM

DATE 8/31/05

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.

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

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

NMOC

District I  
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

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

2005 JUL 32 PM 2 37 AMENDED REPORT

RECEIVED  
WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039		*Pool Code 72319/71599	*Pool Name Blanco Mesaverde/Basin Dakota
*Property Code 7454	*Property Name SAN JUAN 27-5 UNIT		*Well Number 163N
*OGRID No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY, LP		*Elevation 6443'

10 Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	18	27N	5W		1955	NORTH	2145	WEST	RIO ARriba

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
12 Dedicated Acres MV/DK-321.08--W/2					13 Joint or Infill		14 Consolidation Code		15 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

16

1387.98'	1374.12'	2748.90'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Frances Bond</u> Signature Frances Bond Printed Name Regulatory Specialist Title <u>5-19-05</u> Date	
LOT 1	LAT: 36°34.5732' N LONG: 107°24.1048' W DATUM: NAD27	2637.36'		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: APRIL 18, 2005 Signature and Seal of Professional Surveyor  <u>JASON C. EDWARDS</u> Certificate Number 15269
2145'	600'	2690.82'		
5266.80'	690'	2700.06'		
LOT 2	LEASE NM SF-079391	18		
LOT 3				
LOT 4				
1368.18'	1349.70'			

Office

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

May 27, 2004

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. <b>30-045-</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <b>BURLINGTON RESOURCES OIL &amp; GAS COMPANY LP</b>		6. State Oil & Gas Lease No. <b>NMSF-079391</b>
3. Address of Operator <b>3401 E. 30TH STREET, FARMINGTON, NM 87402</b>		7. Lease Name or Unit Agreement Name <b>San Juan 27-5 Unit</b>
4. Well Location Unit Letter <b>F</b> : <b>1955</b> feet from the <b>North</b> line and <b>2145</b> feet from the <b>West</b> line Section <b>18</b> Township <b>27N</b> Range <b>5W</b> NMPM County <b>Rio Arriba</b>		8. Well Number <b>163N</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>6443'</b>		9. OGRID Number <b>14538</b>
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat <b>Blanco Mesaverde/Basin Dakota</b>
Pit type <b>New Drill</b> Depth to Groundwater <b>&gt;100'</b> Distance from nearest fresh water well <b>&gt;1000'</b> Distance from nearest surface water <b>&gt;1000'</b> Pit Liner Thickness: <b>12</b> mil Below-Grade Tank: Volume <b>bbls;</b> Construction Material		

## 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 COMPL ☐

OTHER: **New Drill** ☒

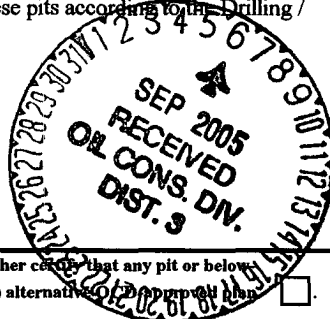
**SUBSEQUENT REPORT OF:**

REMEDIAL WORK ☐ ALTERING CASING ☐  
 COMMENCE DRILLING OPNS. ☐ P AND A ☐  
 CASING/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 drilling pit and an associated vent/flare pit. Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit will be a lined pit as detailed in Burlington's Revised Drilling / Workover Pit Construction / Operation Procedures dated November 11, 2004 on file at the NMOCDD office. A portion of the vent/flare pit will be designed to manage fluids and that portion will be lined as per the risk ranking criteria. Burlington Resources anticipates closing these pits according to the Drilling / Workover Pit Closure Procedure dated August 2, 2004 on file at the NMOCDD 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 NMOCDD guidelines ☐, a general permit ☒ or an (attached) alternative ☐.

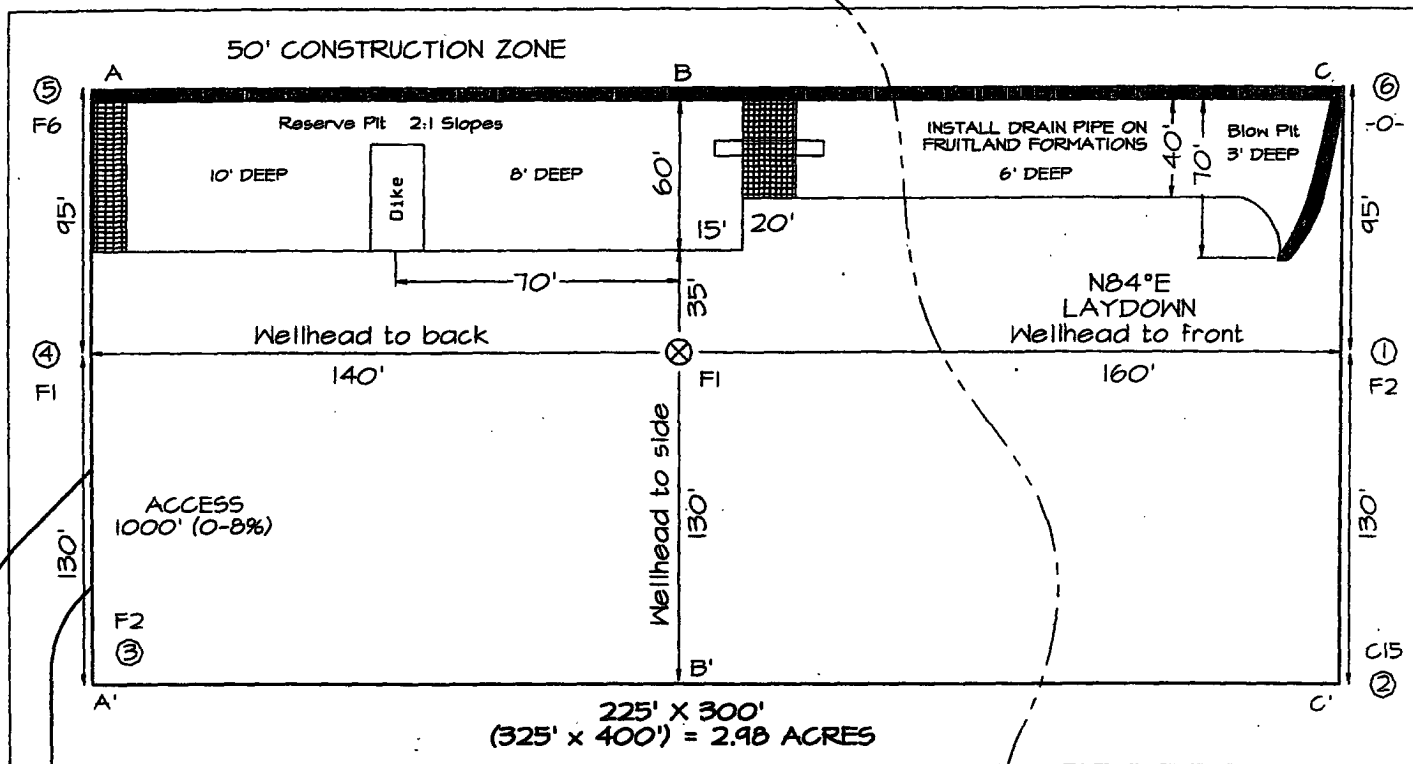
SIGNATURE Amanda Sandoval TITLE Regulatory Assistant II DATE 6/21/2005

Type or print name Amanda Sandoval E-mail address: asandoval@br-inc.com Telephone No. 505-326-9700  
**For State Use Only**

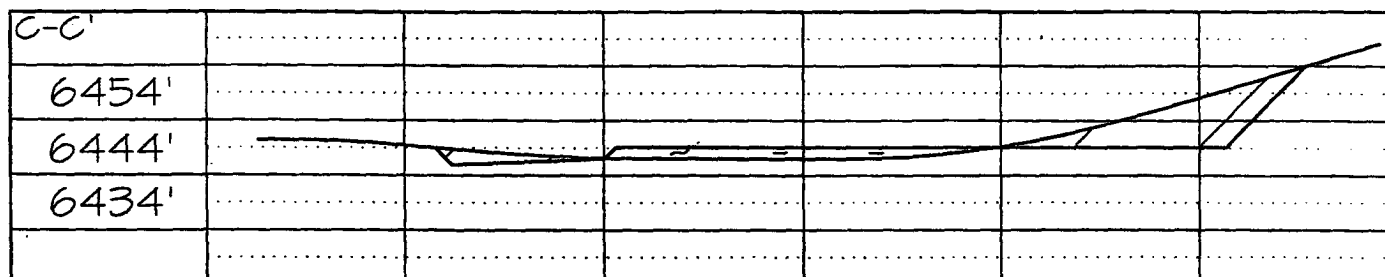
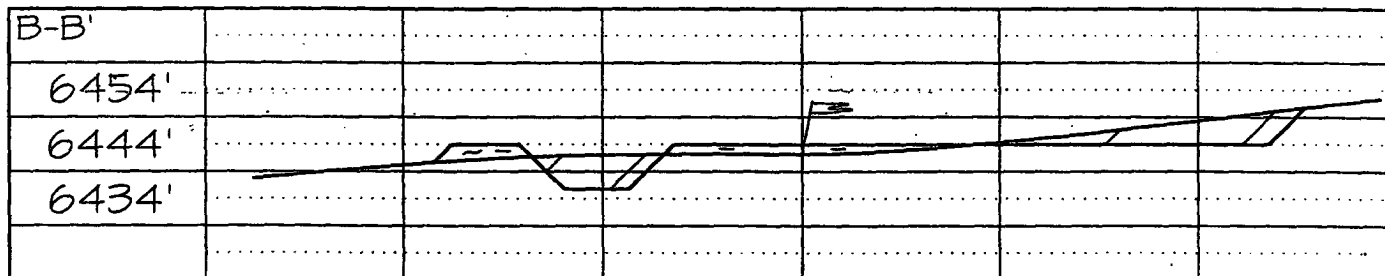
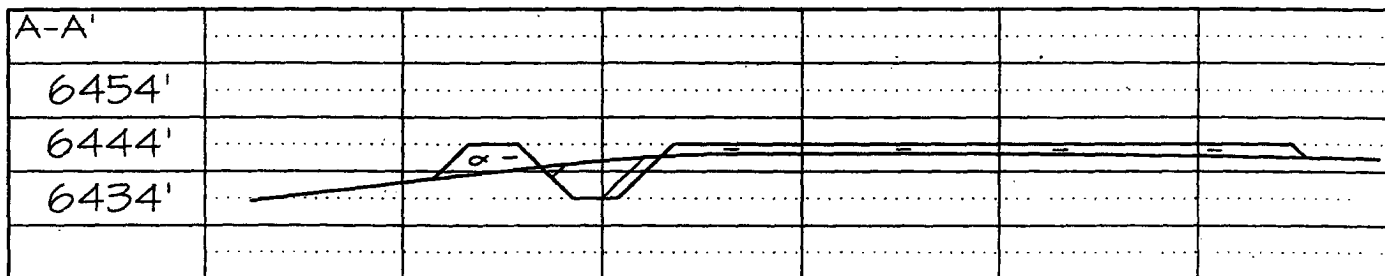
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 9 DATE SEP 06 2005  
 Conditions of Approval (if any):

**BURLINGTON RESOURCES OIL & GAS COMPANY, LP**  
**SAN JUAN 27-5 UNIT #163N, 1955' FNL & 2145' FWL**  
**SECTION 18, T27N, R5W, NMPM, RIO ARriba COUNTY, NM**  
**GROUND ELEVATION: 6443' DATE: APRIL 18, 2005**

**LATITUDE: 36°34'34"**  
**LONGITUDE: 107°24'06"**  
 DATUM: NAD1927



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 27-5 UNIT 163N  
Location: 1955' FNL & 2145' FWL, Section 18 T27N R05W  
Rio Arriba County, New Mexico  
Formation: Blanco Mesaverde/Basin Dakota  
Elevation: 6443' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	2600'	
Ojo Alamo	2600'	2695'	aquifer
Kirtland	2695'	3027'	gas
Fruitland Coal	3027'	3207'	gas
Pictured Cliffs	3207'	3295'	gas
Lewis	3295'	3705'	
Huerfanito Bentonite	3705'		
Chacra	4145'	4865'	gas
Massive Cliff House	4865'	4975'	gas
Menefee	4975'	5350'	gas
Massive Point Lookout	5350'	5857'	gas
Mancos Shale	5857'	6546'	
Upper Gallup	6546'	7298'	gas
Greenhorn	7298'	7360'	gas
Graneros	7360'	7386'	gas
Two Wells	7386'	7511'	gas
Upper Cubero	7511'	7553'	gas
Lower Cubero	7553'	7633'	gas
Oak Canyon	7633'	7640'	gas
Encinal	7640'	7640'	gas
Total Depth:	7640'		gas

### 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:

<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 - 3395'	LSND	8.4 - 9.0	30 - 60	no control
3395 - 7640'	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' - 3395'	7"	20/23#	J-55
6 1/4"	0' - 7640'	4 1/2"	10.5#	J-55

**Tubing Program:**

<u>Depth Interval</u>	<u>Csg.Size</u>	<u>Wt.</u>	<u>Grade</u>
0' - 7640'	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. (38 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.

**Conventionally Drilled** - Cement with 88 sx Type III cement with 0.25 pps Celloflake, 2% CaCl. (113 cu ft of slurry, 200% excess, bring cement to surface) Wait on cement for 8 hrs for conventionally set holes before pressure testing or drilling out from under 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. Test casing to 600 psi for 30 minutes.

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

## 7" intermediate casing -

Lead with 298 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 (759 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/12 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss. Tail w/90 Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. Second stage: 286 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (759 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 @ 2695'. Two turbolating centralizers at the base of the Ojo Alamo @ 2695'. 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 -

Pump 292 sxs Premium Lite HS FM w/0.25 pps celloflake, 0.3% CD-32, 6.25 pps LCM-1, 1% fluid loss, 6% gel, 7 pps CSE (578 cu.ft., 30% excess to achieve 100' overlap in 4-1/2" x 7" annulus). WOC a minimum of 18 hrs prior to completing.

Cementing: Continued

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	2000 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 west half of Section 18 is dedicated to the Mesa Verde formation and Dakota formation.
- This gas is dedicated.

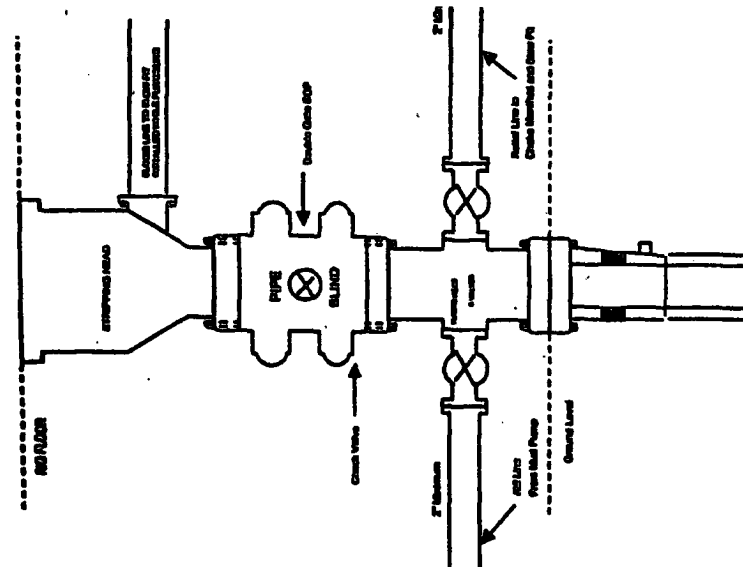
  
Drilling Engineer

6/23/05  
Date



# BURLINGTON RESOURCES

Completion/Workover Rig  
BOP Configuration  
2,000 psi System



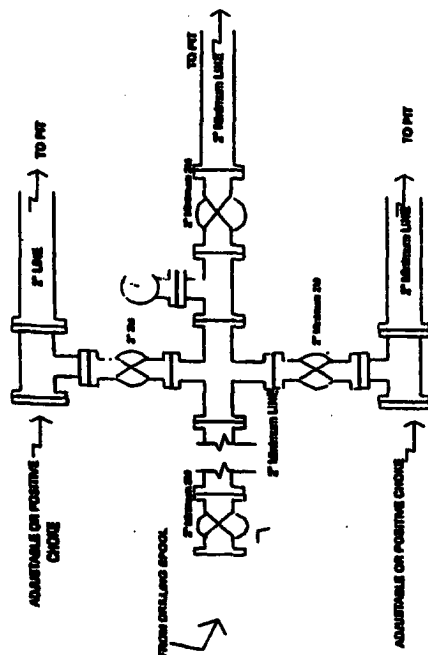
Minimum BOP installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stopping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi clamping head.

Figure #2

4-20-01

# BURLINGTON RESOURCES

Drilling Rig  
Choke Manifold Configuration  
2000 psi System



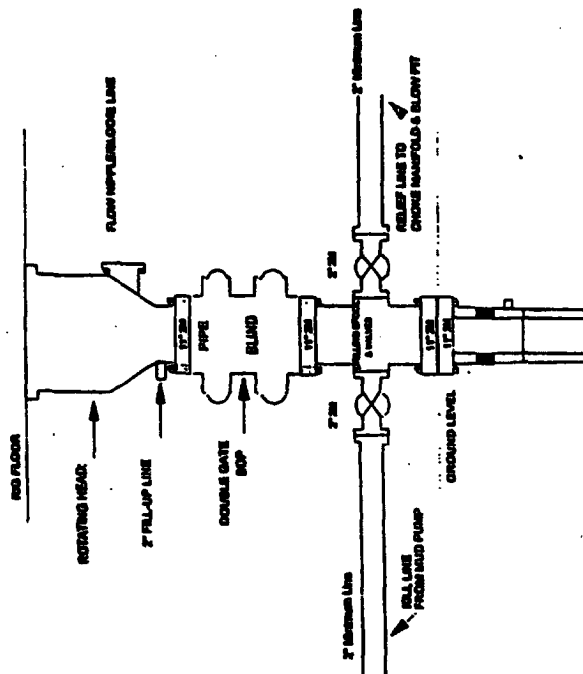
Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

4-20-01

# Burlington Resources

Drilling Rig  
2000 psi System



BOP installation from Surface Casing Point to Total Depth. 11\"/>

Figure #1