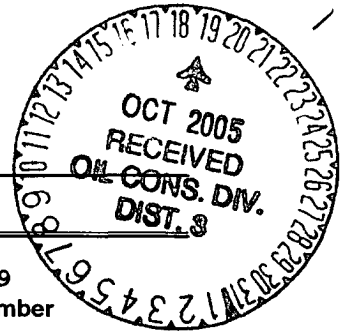


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2005 JUN 17 20 4 23

1a. Type of Work DRILL	5. Lease Number NMNM-03999 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	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Grambling 9. Well Number #722S	
4. Location of Well Unit O (SWSE), 1105' FSL, 1420' FEL Latitude 36° 41.5577'N Longitude 107° 46.8825'W	10. Field, Pool, Wildcat Basin Fruitland Coal 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 28, T29N, R09W API # 30-045- 33182	
14. Distance in Miles from Nearest Town 7.5 miles to Post Office in Blanco, NM	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1105'	17. Acres Assigned to Well 320 E/2	
16. Acres in Lease	20. Rotary or Cable Tools Rotary	
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease	22. Approx. Date Work will Start	
19. Proposed Depth 2323'	23. Proposed Casing and Cementing Program See Operations Plan attached	
21. Elevations (DF, FT, GR, Etc.) 5724' GL	24. Authorized by: <u>Armande Sandoval</u> Regulatory Compliance Assistant II	
		6-14-05 Date

PERMIT NO.

APPROVAL DATE

APPROVED BY [Signature]

TITLE AFM

DATE 10/17/05

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

NMOC

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

1630 Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

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

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

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

¹ API Number 30-045- 33182	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 7054	⁵ Property Name GRAMBLING	⁶ Well Number 722S
⁷ OGED No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP	⁹ Elevation 5724'

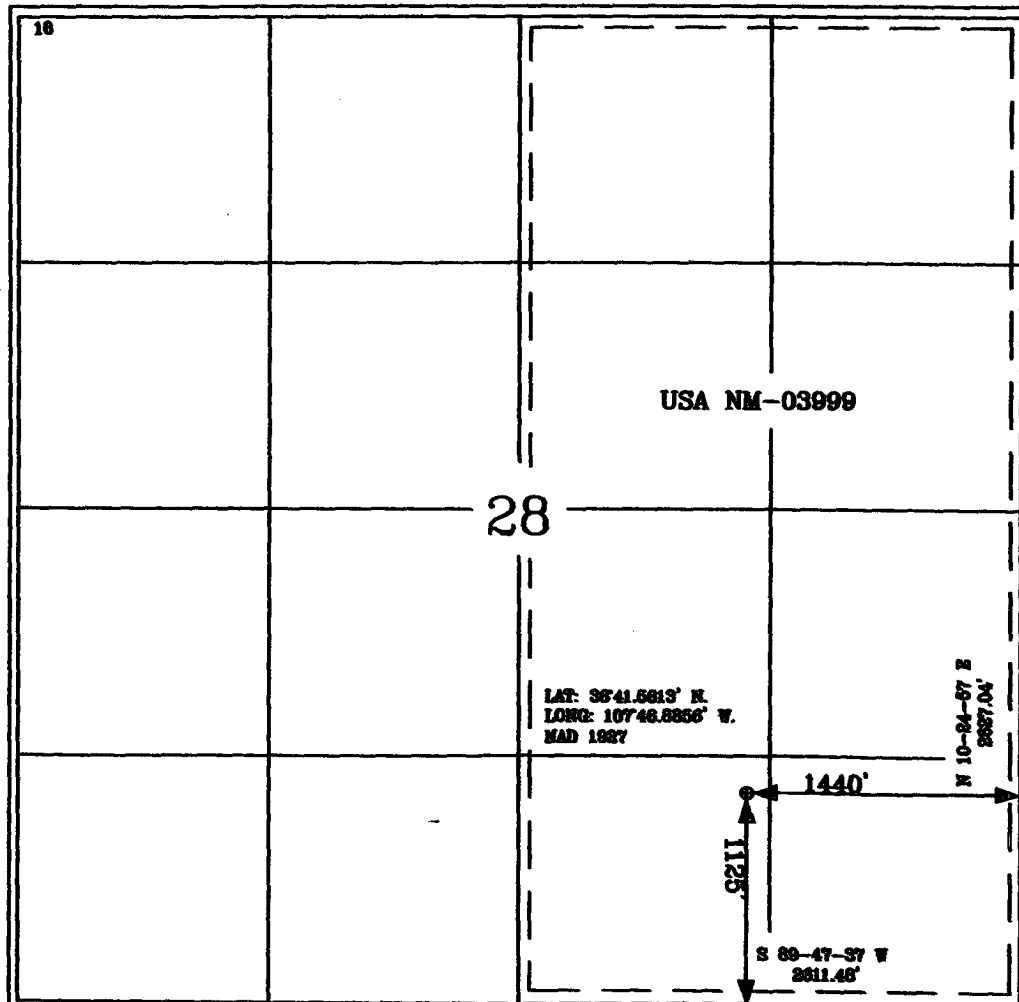
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	28	29-N	9-W		1125'	SOUTH	1440'	EAST	SAN JUAN

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 E/2 320			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



¹⁷ OPERATOR CERTIFICATION

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

Philana Thompson
Signature

Philana Thompson
Printed Name
Regulatory Associate II
Title

June 8, 2005
Date

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 to true and correct to the best of my belief.

Date of Survey

Signature and Seal of Licensed Professional Surveyor

Glen W. Russell
GLEN W. RUSSELL
NEW MEXICO
15703
LICENSED PROFESSIONAL SURVEYOR
Certificate Number 15703

Office

Energy, Minerals and Natural Resources

May 27, 2004

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-045- 33182

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

NMNM-03999

7. Lease Name or Unit Agreement Name

Grambling

8. Well Number

722S

9. OGRID Number

14538

10. Pool name or Wildcat

Basin Fruitland Coal

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 O : 1105 feet from the South line and 1420 feet from the East lineSection 28 Township 29N Range 09W NMPM County San Juan

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

5724'

Pit or Below-grade Tank Application

☒ or Closure ☐

Pit type

New Drill

Depth to Groundwater

>100'

Distance from nearest fresh water well

>1000'

Distance from nearest surface water

1700'

Pit Liner Thickness:

na

mil

Below-Grade Tank:

Volume

bbls;

Construction Material

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐TEMPORARILY ABANDON ☐PULL OR ALTER CASING ☐PLUG AND ABANDON ☐CHANGE PLANS ☐MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐COMMENCE DRILLING OPNS. ☐CASING/CEMENT JOB ☐ALTERING CASING ☐P AND A ☐

OTHER:

New Drill Pit ☒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 and vent/flare pit will be an unlined pit as detailed in Burlington's Revised Drilling / Workover Pit Construction / Operation Procedures dated November 11, 2004 on file at the NMOCD office. A portion of the vent/flare pit will be designed to manage fluids, and that portion will be unlined, 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 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

Patsy Clugston

TITLE

Senior Regulatory Specialist

DATE

4/18/2005

Type or print name

Patsy Clugston

E-mail address:

pclugston@br-inc.com

Telephone No.

505-326-9700

For State Use Only

APPROVED BY

[Signature]

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 03

DATE

OCT 19 2005

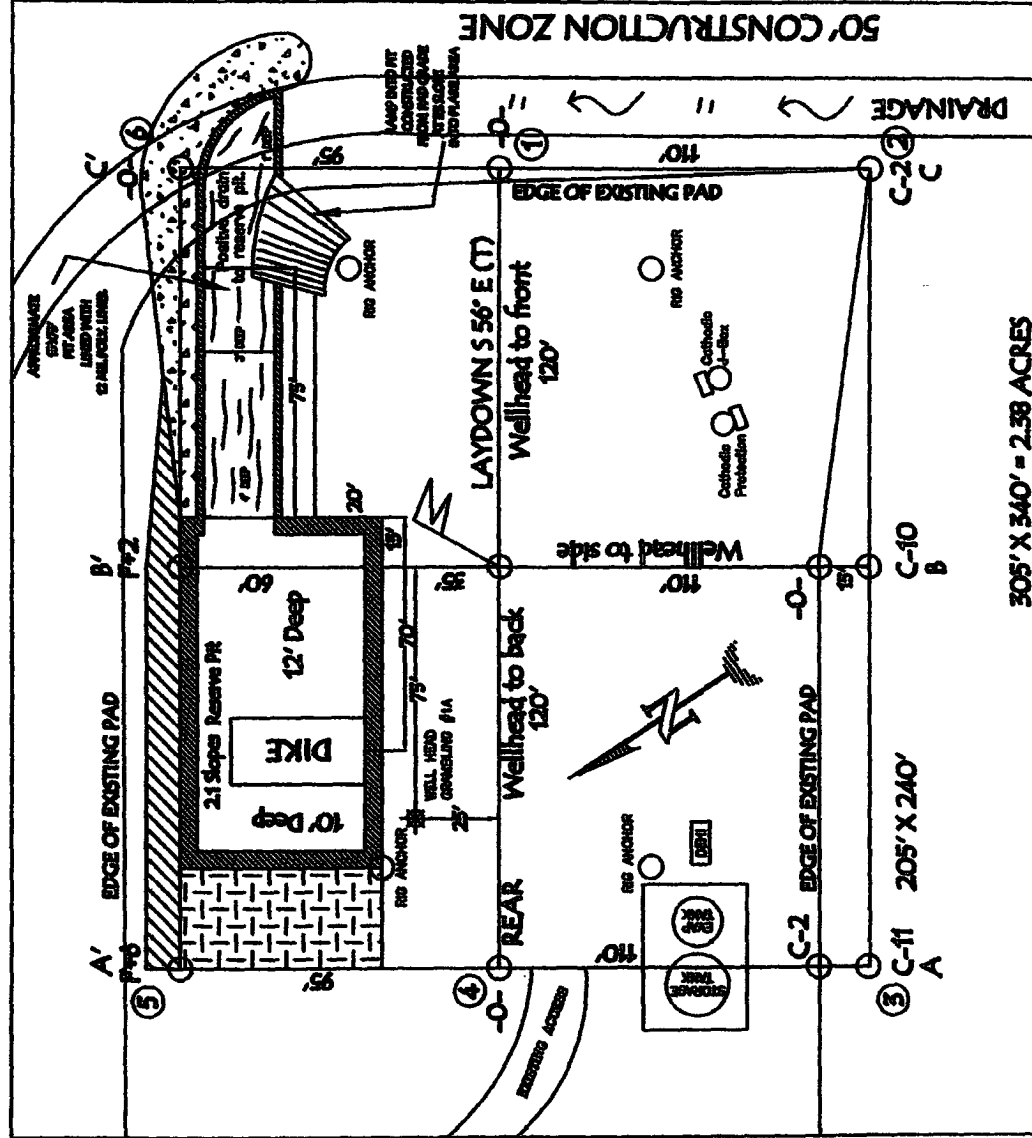
Conditions of Approval (if any):

BURLINGTON RESOURCES OIL & GAS COMPANY LP

GRAMBLING 722S, 1105' FSL & 1420' FEL

SECTION 28, T-29-N, R-9-W, NMPM, SAN JUAN COUNTY, NM

GROUND ELEVATION: 5724', DATE: MARCH 17, 2005



305' X 340' = 2.38 ACRES

LATITUDE: 36° 41.5577' LONGITUDE: 107° 46.8825' NAD27

RESERVE PIT DIKE TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).

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

BURLINGTON RESOURCES OIL & GAS COMPANY LP

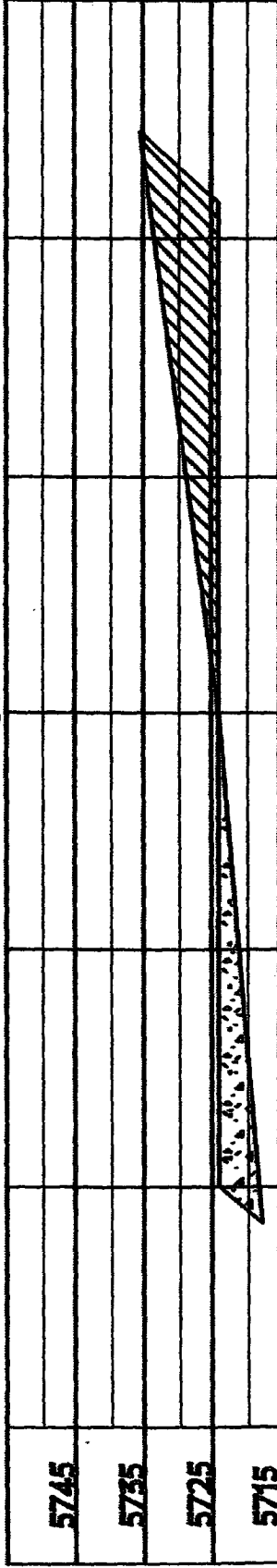
GRAMBLING 722S, 1105' FSL & 1420' FEL

SECTION 28, T-29-N, R-9-W, NMPM, SAN JUAN COUNTY, NM

GROUND ELEVATION: 5724', DATE: MARCH 17, 2005

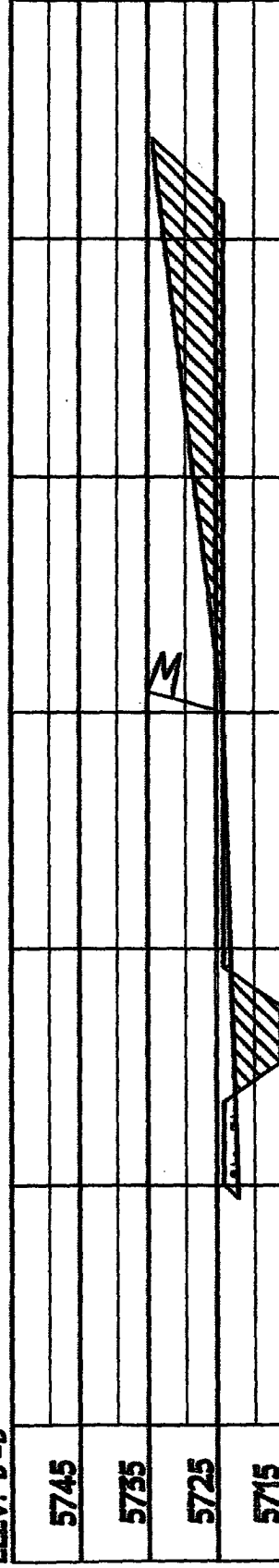
ELEV. A'-A

CL



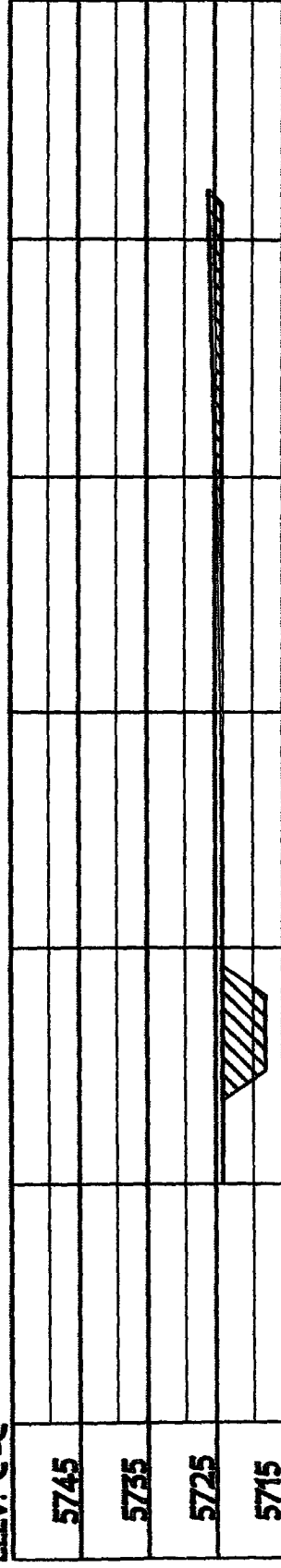
ELEV. B'-B

CL



ELEV. C'-C

CL



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.

In lieu of Form 3160-5
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells

2005 SEP 27 PM 4 28

1. Type of Well
GAS

RECEIVED
070 FARMINGTON NM

5. Lease Number
NMNM-03999
6. If Indian, All. or
Tribe Name

2. Name of Operator
BURLINGTON
RESOURCES OIL & GAS COMPANY LP

7. Unit Agreement Name

3. Address & Phone No. of Operator

PO Box 4289, Farmington, NM 87499 (505) 326-9700

8. Well Name & Number

Grambling #722S
9. API Well No.

4. Location of Well, Footage, Sec., T, R, M

30-045 33183

10. Field and Pool

Basin Fruitland Coal

Unit O (SWSE), 1125' FSL & 1440' FEL, Section 28, T29N, R9W

11. County and State
San Juan Co., NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission

☒ Notice of Intent

Type of Action

☐ Abandonment

☐ Change of Plans

☒ Other - Location moved

☐ Subsequent Report

☐ Recompletion

☐ New Construction

☐ Subsequent Report

☐ Plugging

☐ Non-Routine Fracturing

☐ Final Abandonment

☐ Casing Repair

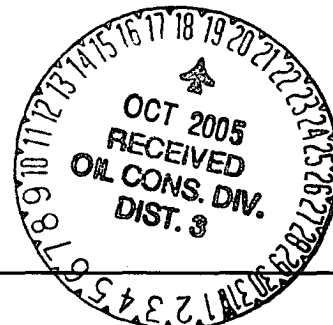
☐ Water Shut off

☐ Altering Casing

☐ Conversion to Injection

13. Describe Proposed or Completed Operations

The location had to be moved slightly to avoid excessive cut & fill of existing well pad. The old footages were 1105' FSL, 1420' FEL. Please note the new footages are 1125' FSL & 1440' FEL, Section 28, T29N, R9W. Attached is the new plat.



14. I hereby certify that the foregoing is true and correct.

Signed Patsy Clugston Patsy Clugston Title Sr. Regulatory Specialist Date 9/27/05

(This space for Federal or State Office use)

APPROVED BY [Signature] Title for AFU Date 10/17/05

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOC

May 18, 2005

OPERATIONS PLAN

Well Name: Grambling #722S
Location: Unit O (SW/SE) 1105' FSL & 1420' FEL, Section 28, T29N, R09W
 San Juan County, New Mexico
 Latitude 36° 41.5577'N; Longitude 107° 46.8825'W
Formation: Basin Fruitland Coal
Elevation: 5724' GR

Formation:	Top	Bottom	Contents
Surface	San Jose		
Ojo Alamo	1093'		
Kirtland	1176'	1899'	gas
T/Fruitland	1899'		gas
Pictured Cliffs	2123'		
Total Depth	2323'		

Note: The Total Depth for this well is into the Pictured Cliffs interval, but currently only have plans to complete the Fruitland Coal interval. We could in the near future perforate/stimulate the Pictured Cliffs interval, but only would once Regulatory approval was asked for and received.

Logging Program: None

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis. Fluid Loss</u>
0- 120'	Spud/Air/Air-Mist	8.4-8.9	40-50 no control
120-2323'	Non-dispersed	8.4-9.5	30-60 no control

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csq.Size</u>	<u>Wt.</u>	<u>Grade</u>
8 $\frac{3}{4}$ "	0 - 120'	7"	20.0#	J-55
6 $\frac{1}{4}$ "	0 - 2323'	4 1/2"	10.5#	J/K-55

Tubing Program:

0 - 2323'	2 3/8"	4.7#	J-55
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Float Equipment: 7" surface casing - guide shoe. Centralizers will be run in accordance with Onshore Order #2.

4 1/2" production casing - float shoe and float collar on bottom. Centralizers run every third joint above shoe to the base of the Ojo Alamo @ 1176'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1176'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 7" x 4 1/2" x 2 3/8" x 11" 2000 psi xmas tree assembly.

May 18, 2005

Cementing:

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

7" surface casing - Cement with 42sx Type III cement with 0.25 pps Celloflake, 3% CaCl.
(54cu ft of slurry @ 1.28 yield). 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.
WOC until cement establishes 250 psi compressive strength prior to NU of BOPE.

4 1/2" production casing - Cement with 109sx(233cu ft of slurry @ 2.13 yield) Premium Lite with 3% calcium chloride, 5 pps LCM-1, and 1/4#/sack celloflake, 0.4% FL-52, & 0.4% SMS. Tail with 90sx(125cu ft of slurry @ 1.38 yield) Type III cmt with 1% calcium chloride, 1/4#/sack Celloflake and 0.2% FL-52. Total of 358 cf - 50% excess to circulate to surface.

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1 and #2).
Prior to drilling out surface casing, test rams to 600 psi/30 min.

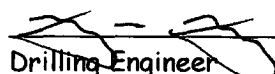
Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 1500 psi/30 min.

From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

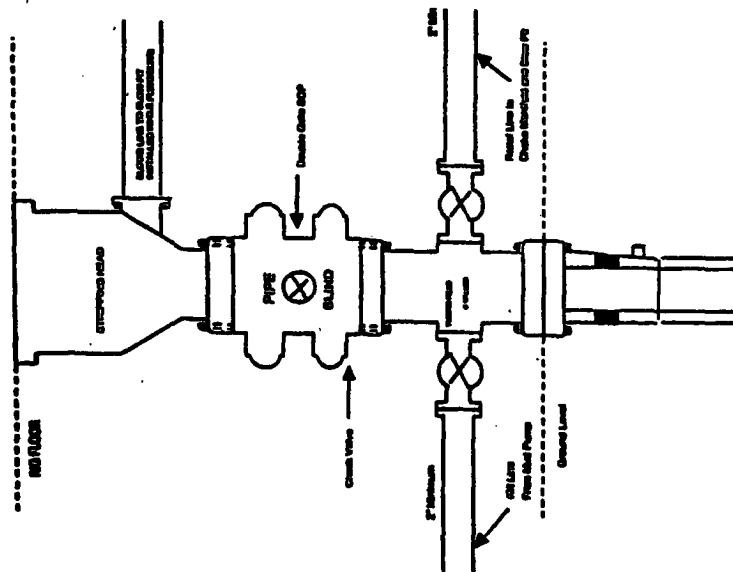
- * The Fruitland Coal formation will be completed.
- * Anticipated pore pressure for the Fruitland is between 600 - 700 psi.
- * This gas is dedicated.
- * The east half of the section is dedicated to Fruitland Coal and E/2 is dedicated to Fruitland Coal for this well.
- * New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

 Monty M. Myers
Drilling Engineer

5/19/05
Date

BURLINGTON RESOURCES

Completion/Workover Rig
BOP Configuration
2,000 psi System



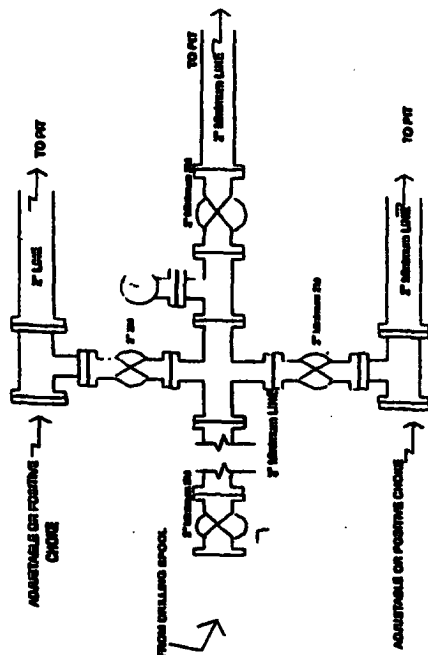
Minimum BOP installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 600 psi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

Figure #2

4-20-01

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System



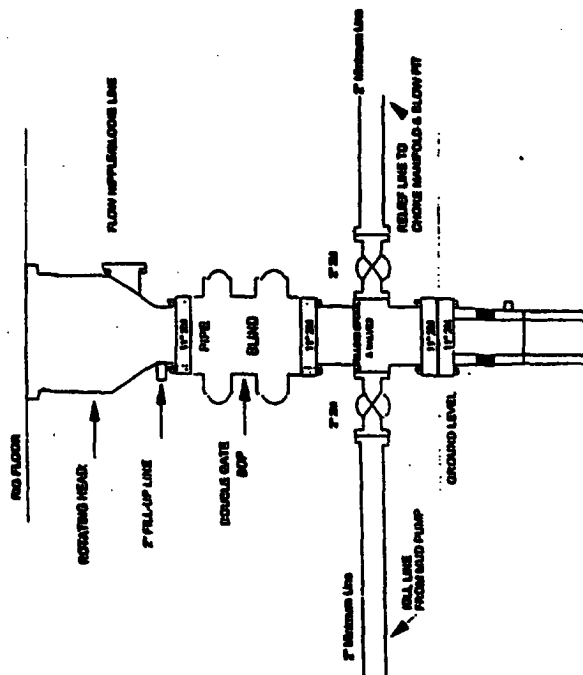
Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

4-20-01

Burlington Resources

Drilling Rig
2000 psi System



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

Figure #1