

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number NMSF-078390-A Unit Reporting Number 070 FARMINGTON NM	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator <b>BURLINGTON RESOURCES</b> 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 Price 9. Well Number 2M	
4. Location of Well 2530' FNL, 770' FWL  Latitude 36° 39.7'N, Longitude 107° 39.4'W	10. Field, Pool, Wildcat Basin DK/Blanco MV  11. Sec., Twn, Rge, Mer. (NMPM) E Sec 14, T-28-N, R-8-W API # 30-045-31105	
14. Distance in Miles from Nearest Town 13.8 miles to PO in Blanco, NM	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 779'	17. Acres Assigned to Well 320 W/2	
16. Acres in Lease	18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 1405' Hardie D #2	
19. Proposed Depth 7391'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6323' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Frances Sand</u> Regulatory Specialist	<u>7-26-05</u> Date	

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

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".

NMOC

DISTRICT I  
1625 N. French Dr., 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 Rio Brazos Rd., Artesia, N.M. 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505  
RECEIVED  
070 FARMINGTON NM

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

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-31105		*Pool Code 71599/72319	*Pool Name Basin Dakota/Blanco Mesaverde
*Property Code 35262	*Property Name PRICE		*Well Number 2M
*OGED No. 14538	*Operator Name BURLINGTON RESOURCES OIL & GAS, INC.		*Elevation 6323'

### 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
E	14	28-N	8-W		2530	NORTH	770	WEST	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
Dedicated Acres 320 W/2			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

FD 2 1/2" GLO BC. 1916	S 89-30-38 E 2652.55' (M)	FD 2 1/2" GLO BC. 1916	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 4-21-05 Date
S 00-05-31 E 2652.74' (M)	NMSF-078390-A		
2530'	1204'	LAT. 36°39.7' N LONG. 107°39.4' W.	
770'	556'	14	
FD 2 1/2" GLO BC. 1916	123'		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 to the best of my knowledge and belief is true and correct to the best of my knowledge and belief. 10-15-05 Date of Survey Signature of Surveyor 8894 Certificate Number
	NMSF-078390-A		

Submit 3 Copies To Appropriate District

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

Form C-103  
 May 27, 2004

**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

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.)		WELL API NO. <u>45 31105</u> <del>30-039</del>
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 BURLINGTON RESOURCES OIL & GAS COMPANY LP		6. State Oil & Gas Lease No. NMSF-078390-A
3. Address of Operator 3401 E. 30TH STREET, FARMINGTON, NM 87402		7. Lease Name or Unit Agreement Name Price
4. Well Location Unit Letter <u>E</u> : <u>2530</u> feet from the <u>North</u> line and <u>770</u> feet from the <u>West</u> line Section <u>14</u> Township <u>28N</u> Range <u>8W</u> NMPM County <u>San Juan</u>		8. Well Number 2M
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 14538
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota
Pit type <u>New Drill</u> Depth to Groundwater <u>&gt;100'</u> Distance from nearest fresh water well <u>&gt;1000'</u> Distance from nearest surface water <u>&gt;1000'</u> Pit Liner Thickness: <u>na</u> mil Below-Grade Tank: <u>Volume</u> bbls; Construction Material		

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <u>New Drill</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 blow/flare pit. Based on Burlington's interpretation of the OCD's risk ranking criteria, the new drilling pit and blow/flare pit will be an unlined pit as detailed in Burlington's Drilling / Workover Pit Construction / Operation Procedures dated April 26, 2004 on file at the NMOCD office. A portion of the blow/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.

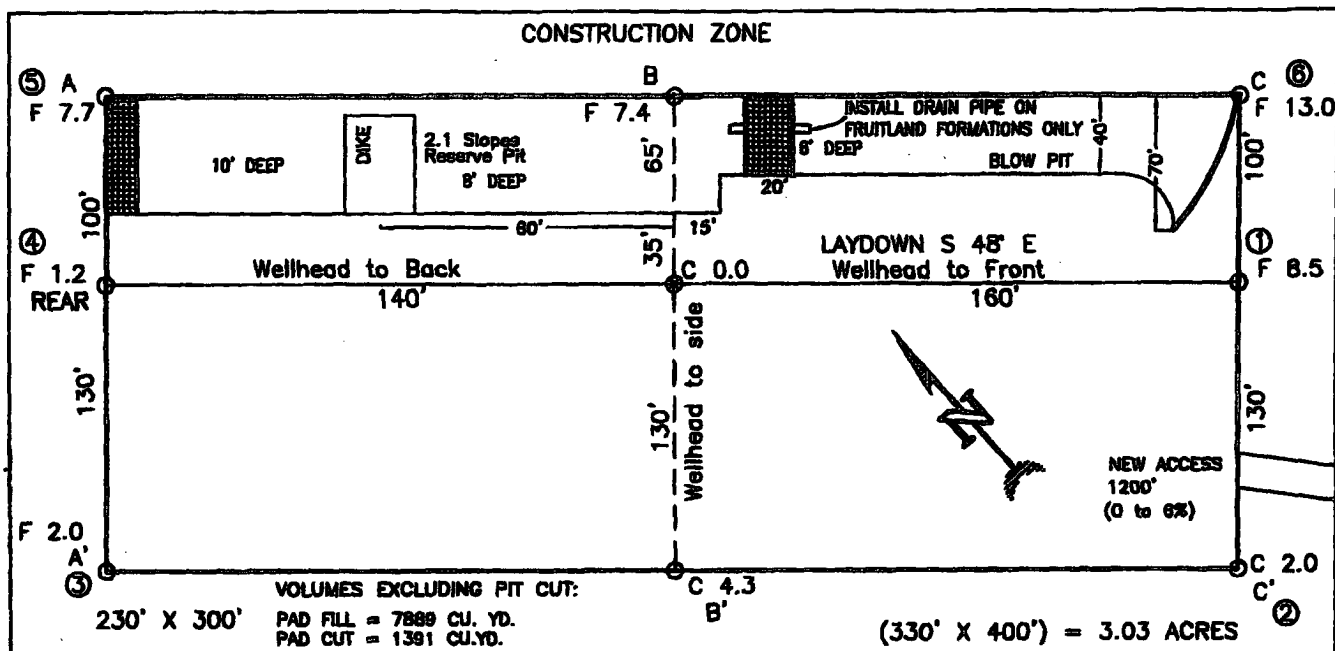
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Frances Bond TITLE Regulatory Specialist DATE 04/21/2005

Type or print name Frances Bond E-mail address: fbond@br-inc.com Telephone No. 505-326-9847

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 60 DATE NOV 18 2005  
 Conditions of Approval (if any):

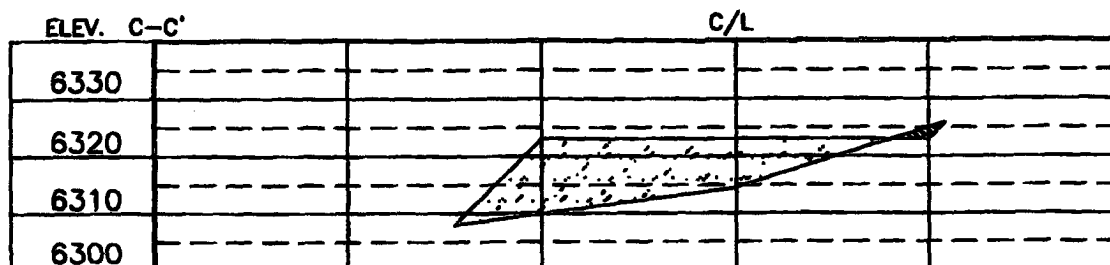
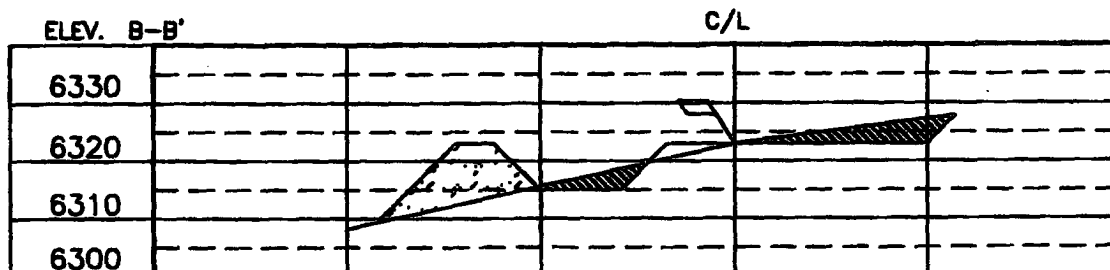
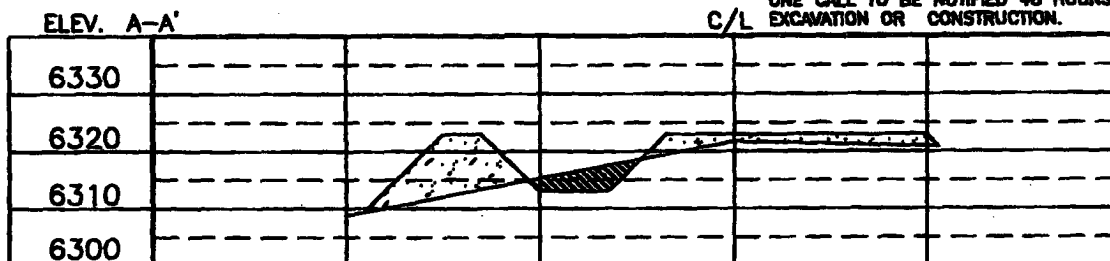
**BURLINGTON RESOURCES OIL & GAS, INC.**  
**PRICE NO. 2M, 2530 FNL 770 FWL**  
**SECTION 14, T-28-N, R-8-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO**  
**GROUND ELEVATION: 6323, DATE: OCTOBER 31, 2001**



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:**

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



**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.

DRAWN BY: A.G.

ROW#: BR281

CADFILE: BR281CFB

DATE: 11/21/01

**Daggett Enterprises, Inc.**  
 Surveying and Oil Field Services  
 P. O. Box 15088 Farmington, NM 87401  
 Phone (505) 328-1772 Fax (505) 328-6019

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' - 3080'	7"	20/23#	J-55
6 1/4"	0' - 7391'	4 1/2"	10.5#	J-55

Tubing Program:

<u>Depth Interval</u>	<u>Csg.Size</u>	<u>Wt.</u>	<u>Grade</u>
0' - 7391'	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.

## OPERATIONS PLAN

Well Name: PRICE 2M  
Location: 2530' FNL & 770' FWL, Section Sec 14 T28N R08W  
San Juan County, New Mexico  
  
Formation: Basin Dakota/Blanco Mesaverde  
Elevation: 6323' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	1885'	
Ojo Alamo	1885'	1997'	aquifer
Kirtland	1997'	2662'	gas
Fruitland Coal	2662'	2815'	gas
Pictured Cliffs	2815'	2980'	gas
Lewis	2980'	3400'	
Huerfanito Bentonite	3400'		
Chacra	3790'	4475'	gas
Massive Cliff House	4475'	4625'	gas
Menefee	4625'	5077'	gas
Massive Point Lookout	5077'	5495'	gas
Mancos Shale	5495'	6280'	
Upper Gallup	6280'	7023'	gas
Greenhorn	7023'	7088'	gas
Graneros	7088'	7138'	gas
Two Wells	7138'	7233'	gas
Paguate	7233'	7275'	gas
Upper Cubero	7275'	7303'	gas
Lower Cubero	7303'	7353'	gas
Encinal	7353'	7391'	gas
Total Depth:	7391'		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 - 3080'	LSND	8.4 - 9.0	30 - 60	no control
3080' - 7391'	Air/Air Mist/Nitrogen	n/a	n/a	n/a

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 265 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 (688 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/18 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: 247 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (688 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 @ 1997'. Two turbolating centralizers at the base of the Ojo Alamo 1997'. 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 296 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 (587 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 14 is dedicated to the Mesa Verde and Dakota.
- This gas is dedicated.

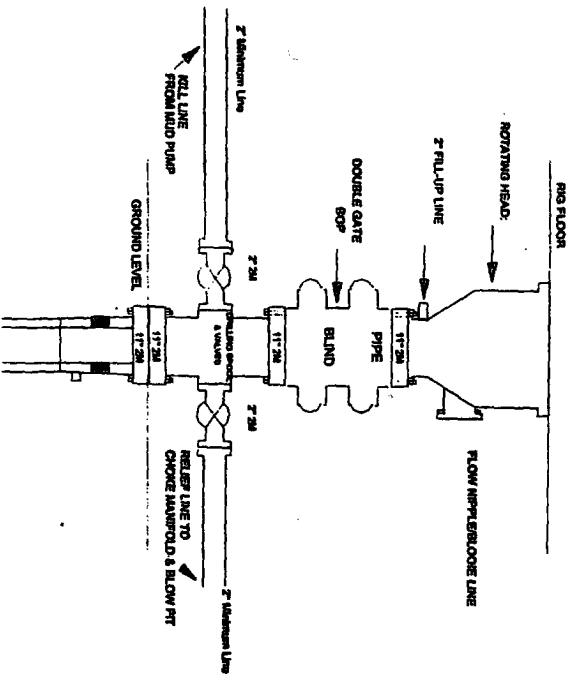
  
Drilling Engineer

  
Date



## Burlington Resources

### Drilling Rig 2000 psi System



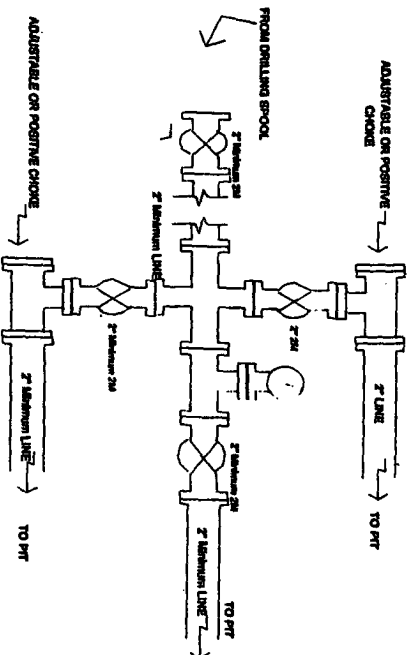
BOP Installation from Surface Casing Point to Total Depth. 11\"/>

Figure #1

F-01

## BURLINGTON RESOURCES

### Drilling Rig Choke Manifold Configuration 2000 psi System



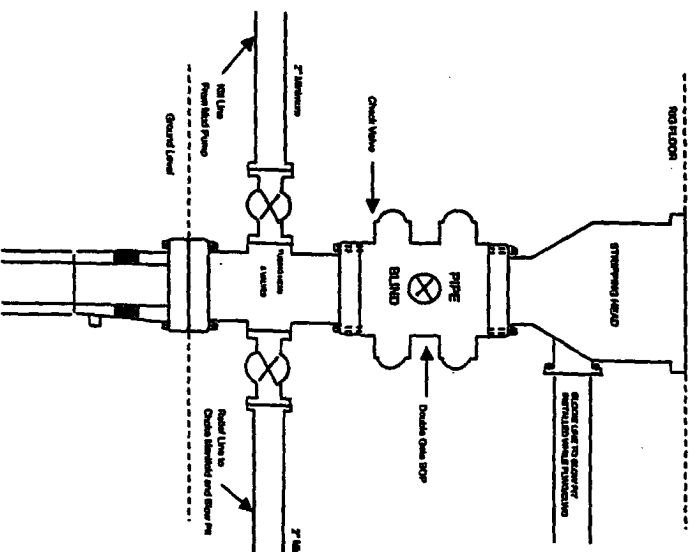
Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

4-20-01

## BURLINGTON RESOURCES

### Completion/Workover Rig BOP Configuration 20,000 psi System



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

Figure #2

4-20-01