

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2006 JAN 1 6 08 27

1a. Type of Work DRILL	5. Lease Number NMSF-078134 Unit Reporting Number NMNM 73118-PC
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. 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. Farm or Lease Name Pierce SRC 9. Well Number 100
4. Location of Well Unit P (SESE), 895' FSL & 980' FEL, Latitude 36° 51.8876'N'N Longitude 107° 55.0585'W	10. Field, Pool, Wildcat <i>Blanco</i> Basin FC / PC Pictured Cliffs 11. Sec., Twn, Rge, Mer. (NMPM) P Sec. 30, T31N, R10W API # 30-045- <i>33499</i>
14. Distance in Miles from Nearest Town	12. County San Juan 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 895'	
16. Acres in Lease	17. Acres Assigned to Well FC - 319.150 322.74 acres E/2 PC - 159.540 161.40 acres SE/4
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease Twinned with the Pierce SRC #1C	
19. Proposed Depth 2840'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 5982' GL	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <i>Patsy Chisht</i> Sr. Regulatory Specialist	Date <i>12/29/05</i>

PERMIT NO.

APPROVAL DATE

APPROVED BY *D. Mantia*

TITLE *AFM*

DATE *1/11/06*

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.

Not an HPA FC Well

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

NMOCD

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

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

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

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33499	² Pool Code 71629/	³ Pool Name Blanco Basin Fruitland Coal/ WC- 31N10W30 Pictured Cliffs
⁴ Property Code 18601	⁵ Property Name PIERCE SRC	⁶ Well Number 100
⁷ GRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP	⁹ Elevation 5982'

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
P	30	31-N	10-W		895'	SOUTH	980'	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 Acreage SW 1/4 159-640 PG W 1/2 319-150 PG E-32274					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	USA SF- 078134				17 OPERATOR CERTIFICATION
LOT 8	LOT 7	LOT 6	LOT 5		I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
X					<u>Amanda Sandoval</u> Signature
LOT 9	LOT 10	LOT 11	LOT 12		Amanda Sandoval Printed Name
					Regulatory Assistant II Title
					12-20-05 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 is true and correct to the best of my belief.
					12-20-05 Date of Survey
					Signature of Professional Surveyor
					GLEN W. RUSSELL NEW MEXICO 15703 LICENSED PROFESSIONAL SURVEYOR
					15703 Certificate Number

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.	30-045-33499
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	Federal Lease - SF-078134
7. Lease Name or Unit Agreement Name	Pierce SRC
8. Well Number	100
9. OGRID Number	14538
10. Pool name or Wildcat	Basin Fruitland Coal / WC Pictured Cliffs
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	5982' GL
Pit or Below-grade Tank Application	<input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type	new drill
Depth to Groundwater	>100'
Distance from nearest fresh water well	>1000'
Distance from nearest surface water	<1000'
Pit Liner Thickness:	n/a mil
Below-Grade Tank:	Volume
bbls;	Construction Material

SUNDY 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 P : 895' feet from the South line and 980 feet from the West line
Section 30 Township 31N Rng 10W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5982' GL

Pit type new drill Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water <1000'
Pit Liner Thickness: n/a 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 ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

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

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.

New Drill, Unlined:

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 Sr. Regulatory Specialist DATE 12/28/2005

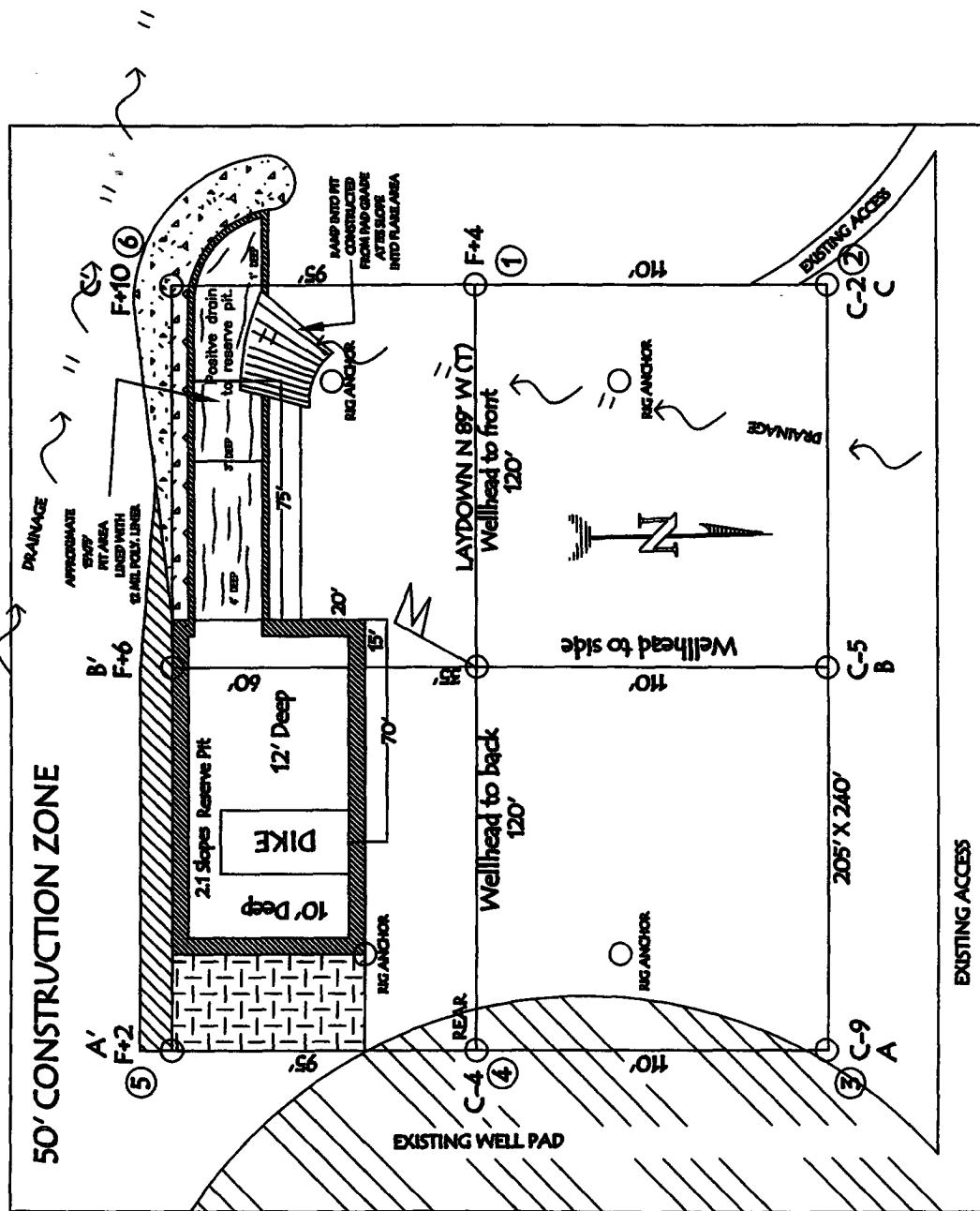
Type or print name Patsy Clugston E-mail address: pclugston@br-inc.com Telephone No. 505-326-9518
For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. III DATE JAN 17 2006

Conditions of Approval (if any):

PIERCE SRC 100, 895' FSL & 980' FEL

SECTION 30, T-31-N, R-10-W, NMPM, SAN JUAN COUNTY, NM
GROUND ELEVATION: 5982', DATE: NOVEMBER 25, 2005



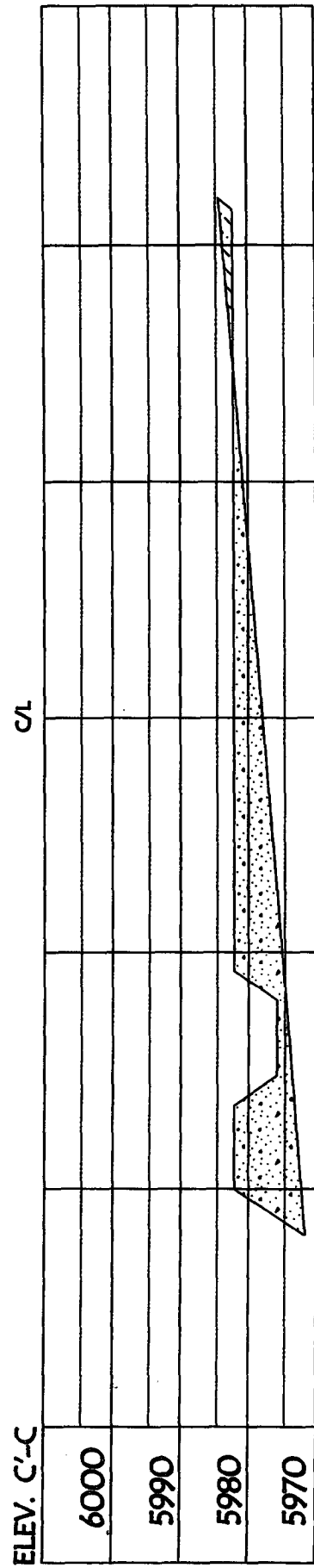
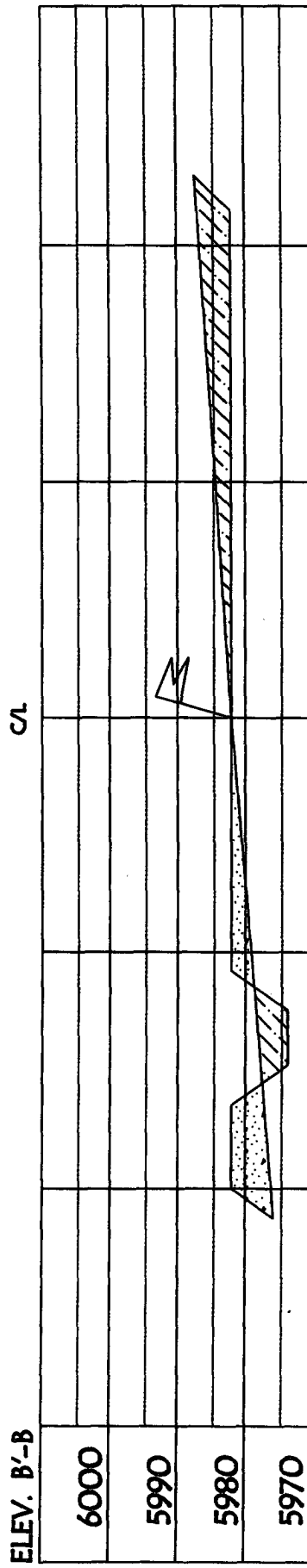
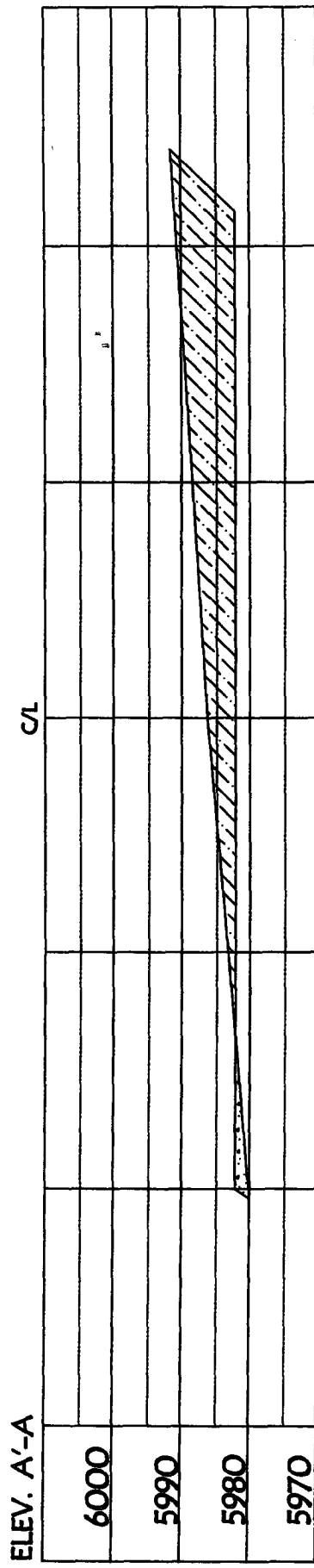
305' X 340' = 2.38 ACRES

LATITUDE: 36° 51.8876' N LONGITUDE: 107° 55.0585' W NAD27

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.

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

SECTION 30, T-31- N, R-10-W, NMPM, SAN JUAN COUNTY, NM
GROUND ELEVATION: 5982', DATE: NOVEMBER 25, 2005



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: Pierce SRC 100
Location: Unit P (SESE), 895' FSL & 980' FEL, Sec. 30, T31N, R10W,
 San Juan County, New Mexico
 Latitude 36° 51.8876'N Longitude 107° 55.0585' W
Formation: Basin Fruitland Coal & Pictured Cliffs
Elevation: 5982' GR

Formation:	Top	Bottom	Contents
Ojo Alamo	1264'	1323'	aquifer
Kirtland	1323'	2416'	gas
T/Fruitland	2416'		gas
B/Fruitland Coal	2635'		gas
Pictured Cliffs	2640'		
Total Depth	2840'		

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
120-2840'	Non-dispersed	8.4-9.5	30-60 no control

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg.Size</u>	<u>Wt.</u>	<u>Grade</u>
8 $\frac{3}{4}$ "	0 - 120'	7"	20.0#	J-55
6 $\frac{1}{4}$ "	0 - 2840'	4 1/2"	10.5#	J/K-55

Tubing Program:

0 - 2840'	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 @ 1323'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1323'. 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.

December 28, 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 50 sx Type III cement with 0.25 pps Celloflake, 3% CaCl. (64 cu 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 146 sx (312 cu 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 90 sacks (124 cu ft of slurry @ 1.38 yield) Type III cmt with 1% calcium chloride, 1/4#/sack Celloflake and 0.2% FL-52. Total of 436 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~~ ^{BOP} to 600 psi/30 min.

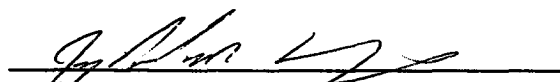
Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 1500 psi/30 min.

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:

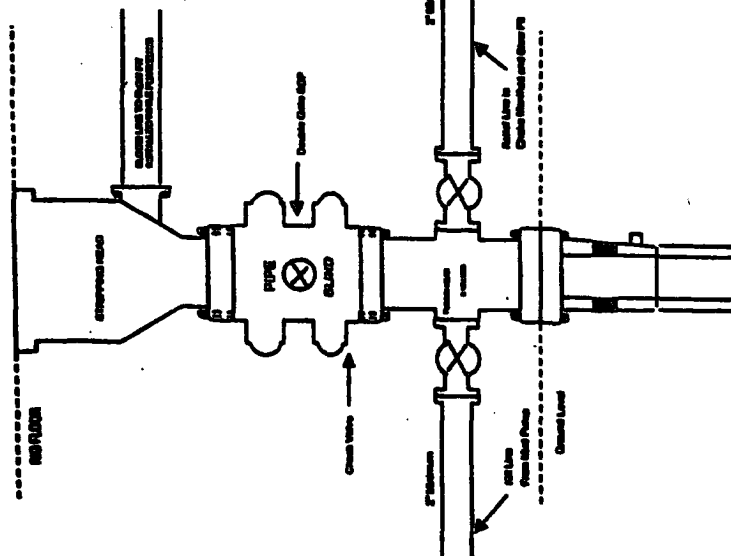
- * The Fruitland Coal & Pictured Cliffs formations will be completed.
- * Anticipated pore pressure for the Fruitland Coal & Pictured Cliffs is 600 - 700 psi.
- * This gas is dedicated.
- * The east half of the section is dedicated to the Fruitland Coal & SE/4 of Section is dedicated to the Pictured Cliffs for this well.
- * New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.


Drilling Engineer

12/29/05
Date

BURLINGTON RESOURCES

Completion/Workover Rig
BOP Configuration
2,000 psi System

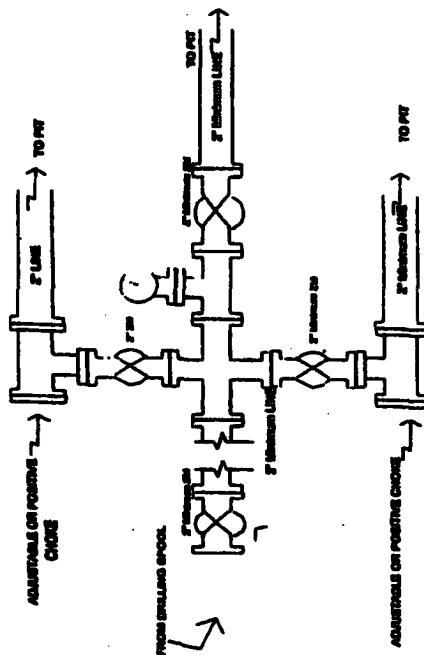


Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 800 psi stripping head.

Figure #2

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System

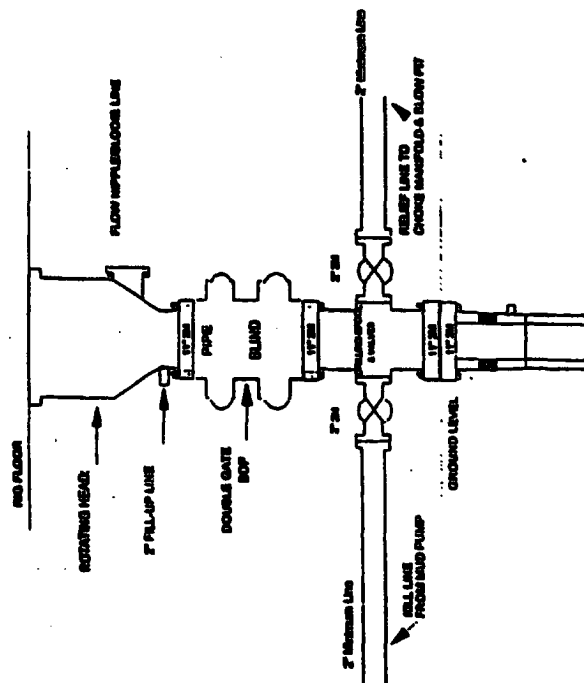


Choke manifold installation from Surface Casing Head to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

Burlington Resources

Drilling Rig
2000 psi System



BOP Installation from Surface Casing Head to Total Depth. 1 1/2" Bore or greater, 2000 psi working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on top of the BOP. All BOP equipment is 2,000 psi working pressure.

Figure #1