State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following <u>3160-5</u> form. Operator Signature Date: **Original APD 5/2/2012** Sundry Extension Date 6/21/2017

| API WELL # | Well Name | Well # | Operator Name | Туре | Stat | County | Surf_Owner | UL | Sec | Twp | N/S | Rng | W/I |
|------------------------|-----------|-----------|--|------|------|-------------|------------|----|-----|-----|-----|-----|-----|
| 30-045- 35371-00-00 | THOMPSON | | BURLINGTON RESOURCES OIL & GAS COMPANY LP | G | N | San Juan | F | F | 28 | 31 | N | 12 | W |

Conditions of Approval:

(See the below checked and handwritten conditions)

Notify Aztec OCD 24hrs prior to casing & cement.

Hold C-104 for directional survey & "As Drilled" Plat

O Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned

Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:

A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A

A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A

A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C

Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

Submit Gas Capture Plan form prior to spudding or initiating recompletions operations.

Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84

1220 South St. Francis Drive • Santa Fe, New Mexico 87505 Phone (505) 476-3441 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

Hold C-104 for NSL, NSP, DHC,

Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.

✓ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

Comply with current regulations at time of spud Prior to production operator needs to be in compliance with RULE 19.15.5.9

Kotheric Partal

NMOCD Approved by Signature

<u>6/26/17</u> Date

| | * | 1. | | | | | | | |
|---|--|---|--|-----------|--|-------------|---------------------------------------|--|--|
| r | | RECEIVE | D | | | | | | |
| Form 3160-5 | UNITED STATES | | | | FORM APPROVED | | | | |
| (August 2007) | DEPARTMENT OF THE BUREAU OF LAND MA | INTERIOR | 317 | | OMB No. 1004-0137 Expires: July 31, 2010 | | | | |
| | DOREAU OF LAND MA | ANAGEMENT | | | 5. Lease Serial No. | | | | |
| 0.11 | IDRY NOTICES AND REPO | aingtop-Field | Office | | | NM-016 | 14 | | |
| | e this form for proposals | | | | 6. If Indian, Allottee or Tribe Name | | | | |
| | well. Use Form 3160-3 (A | | | | | | | | |
| | IBMIT IN TRIPLICATE - Other ins | tructions on pag | je 2. | | 7. If Unit of CA/Agreement, | Name and | or No. | | |
| 1. Type of Well | | | | | | | | | |
| Oil Well | Oil Well X Gas Well Other | | | | 8. Well Name and No. Thompson 8N | | | | |
| 2. Name of Operator | | | | | 9. API Well No. | | | | |
| 3a. Address | ton Resources Oil & Gas | T. C. | | 2) | | -045-35 | 371 | | |
| PO Box 4289, Farmingt | on, NM 87499 | | ne No. (include area code) (505) 326-9700 | | 10. Field and Pool or Exploratory Area Blanco MV / Basin DK | | | | |
| 4. Location of Well (Footage, Sec., T., F | ., M., or Survey Description) | | | | 11. Country or Parish, State | | | | |
| Surface Unit F (SE | NW), 1915' FNL & 2095' F | WL, Sec. 28 | , T31N, R12 | w | San Juan | , N | ew Mexico | | |
| 12. CHECK | THE APPROPRIATE BOX(ES) | TO INDICAT | E NATURE O | FNO | TICE, REPORT OR OT | HER DA | ſA | | |
| TYPE OF SUBMISSION | | | TYPE O | FAC | TION | | | | |
| X Notice of Intent | Acidize | Deepen | | P | roduction (Start/Resume) | W | ater Shut-Off | | |
| _ | Alter Casing | Fracture Tre | | | eclamation | | ell Integrity | | |
| Subsequent Report | Casing Repair Change Plans | New Constr Plug and Al | | | ecomplete emporarily Abandon | XO | APD EXT | | |
| Final Abandonment Notice | Convert to Injection | Plug Back | Januon | | Vater Disposal | | ALDEXI | | |
| 13. Describe Proposed or Completed Op | | | mated starting da | | | mate durat | on thereof. | | |
| following completion of the involv | ork will be performed or provide the E ed operations. If the operation results Abandonment Notices must be filed o final inspection.) | in a multiple com | pletion or recomp | pletion | in a new interval, a Form 316 | 0-4 must be | filed once | | |
| Burlington Resources C | il & Gas, LP requests a one | e time, one y | ear extensio | on of t | he APD approval for | the subj | ect well. | | |
| | | | | | | | | | |
| | | | | | OILC | ONS. C | IV DIST. 3 | | |
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| | | | | | | | | | |
| * APD extension | approved until 6/2 | 1/2018 | | | | | | | |
| 14. I hereby certify that the foregoing is | | | | | | | | | |
| Christine Brock | | Tit | Title Regulatory Specialist | | | | | | |
| Signature UNUS | tine Brock | Dat | Date (0/2)/17 | | | | | | |
| Λ | THIS SPACE FO | R FEDERAL | OR STATE | OFF | ICE USE | | | | |
| Approved by | | | | | | | | | |
| -fulk/and | up | | Title | P | E | Da | te 4/12/17 | | |
| Conditions of approval, if any, are attach | | | 1140 | | | | e e e e e e e e e e e e e e e e e e e | | |
| that the applicant holds legal or equitable entitle the applicant to conduct operation | | e which would | Office | e F | FO | | | | |
| Title 18 U.S.C. Section 1001 and Title 4 | | e for any person k | nowingly and wil | llfully t | o make to any department or a | gency of th | e United States any | | |
| false, fictitious or fraudulent statements of | | nin its jurisdiction | l. | | | | // | | |
| (Instruction on page 2) | | NMO | CDA | | | | 0 | | |

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