## State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

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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 2/6/2012** Sundry Extension Date 7/7/2017

API WELL #	Well Name	Well #	Operator Name	Туре	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
	SAN JUAN 27 5 UNIT		BURLINGTON RESOURCES OIL & GAS COMPANY LP	G		Rio Arriba	F	G	23	27	N	5	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 Hold C-104 for NSL, NSP, DHC,
- 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

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> 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

Kuthuic Belav

NMOCD Approved by Signature

<u>7/20/17</u> Date

Form 3160-5 (August 2007)	UNITED STAT DEPARTMENT OF THE BUREAU OF LAND MAN	INTERI	OR	ECE	FORM OMB N 2017 Expires: 5. Lease Serial No.	APPROVED o. 1004-01 <b>37</b> July 31, 2010 - <b>079492-B</b>				
Do not us	NDRY NOTICES AND REP( e this form for proposals well. Use Form 3160-3 (A	to drill o	to re-enter a	and I	eld office Nanagement	lame				
SU	JBMIT IN TRIPLICATE - Other ins	tructions or	page 2.		7. If Unit of CA/Agreement, N	ame and/or No.				
1. Type of Well						Juan 27-5 Unit				
					8. Well Name and No. San Juan 27-5 Unit 115P 9. API Well No.					
	ton Resources Oil & Gas	30-039-31112								
3a. Address PO Box 4289, Farmingt	on, NM 87499		e No. (include area code) 10. Field and Pool or (505) 326-9700 B			Exploratory Area Blanco MV / Basin DK				
4. Location of Well (Footage, Sec., T., F Unit G (S	R.,M., or Survey Description) WNE), 2234' FNL & 2133'	FEL, Sec	. 23, T27N, R5	w	11. Country or Parish, State Rio Arriba	, New Mexico				
12. CHECK	THE APPROPRIATE BOX(ES)		ATE NATURE	OF NO	TICE, REPORT OR OTH	ER DATA				
TYPE OF SUBMISSION			TYPE (	OF AC	TION					
X Notice of Intent	Acidize	Deepe	n	F	Production (Start/Resume)	Water Shut-Off				
	Alter Casing	Fractu	re Treat	F	Reclamation	Well Integrity				
Subsequent Report	Casing Repair		Construction		lecomplete	X Other				
Final Abandonment Notice	Change Plans Convert to Injection	Plug a Plug E	nd Abandon		emporarily Abandon Vater Disposal	APD Extension				
Testing has been completed. Final determined that the site is ready for	red operations. If the operation results Abandonment Notices must be filed or r final inspection.)	only after all	requirements, includ	ing recla	mation, have been completed an					
					OILC	ONS. DIV DIST. 3				
					A	UG 1 0 2017				
+ APD extension a		12/20	18	-						
	14. I hereby certify that the foregoing is true and correct. Name (Printed Typed) Crystal Walker				Regulatory Coordinator					
Signature	e Walke		Date	7-7	-2017-					
	THIS SPACE FO	R FEDE	RAL OR STAT	EOF	FICE USE					
Conditions of approval, if any, are attac	Conditions or approval, if any, are attached Approval of this notice does not warrant or of that the applicant holds legal or equitable title to those rights in the subject lease which w				PE FFO	Date 7/12/17				
Title 18 U.S.C. Section 1001 and Title false, fictitious or fraudulent statements	43 U.S.C. Section 1212, make it a crim			willfully	to make to any department or ag	ency of the United States any				
(Instruction on page 2)										

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