

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-078197 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 Nye Federal Com 9. Well Number #3M	
4. Location of Well Unit H (SENE), 1815' FNL, 660' FEL Latitude 36.74291°N Longitude 107.88357°W	10. Field, Pool, Wildcat Blanco Mesaverde/ Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 9, T29N, R10W API # 30-045-33667	
14. Distance in Miles from Nearest Town 6.5 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 660'	17. Acres Assigned to Well 317.600 N2 MV/DK	
16. Acres in Lease		
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 989'- Feuille A #3 (Energen Resources)		
19. Proposed Depth 6779'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 5790' GL	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Amanda Sanders</u> Regulatory Compliance Assistant III	3-23-06 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.

NMOC

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

2006 MAR 24 PM 8 54

RECEIVED

WASHINGTON NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 3-045-33667	² Pool Code 71599/72319	³ Pool Name Blanco Mesaverde/ Basin Dakota
⁴ Property Code 18413	⁵ Property Name NYE FEDERAL COM	⁶ Well Number 3M
⁷ OGRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	⁹ Elevation 5790

¹⁰ Surface Location

UL or lot no. H	Section 9	Township 29-N	Range 10-W	Lot Idn 8	Feet from the 1815	North/South line NORTH	Feet from the 660	East/West line EAST	County SAN JUAN
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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 317.600 N2 MV/DK		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

LOT 4 39.89	LOT 3 39.70	LOT 2 39.52	LOT 1 39.33
FD 3 1/4" BC 1967 BLM		S 89°53'33" W 2608.06' (M)	
USA SF-078197		FD 2 1/2" BC 1967 BLM	
LOT 5 40.07	LOT 6 39.83	LOT 7 39.70	LOT 8 39.51
LAT: 36.74291° N. (NAD 83) LONG: 107.88357° W. (NAD 83) LAT: 36°44.5744' N. (NAD 27) LONG: 107°52.9770' W. (NAD 27)		1815' N 00°01'59" W 2616.57' (M)	
660'		17	
OPERATOR CERTIFICATION			
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.			
Signature Amanda Sandoval		Date 3-16-06	
Printed Name Amanda Sandoval			
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.			
FEBRUARY 2006 Date of Survey			
Signature and Seal of Professional Surveyor JOHN A. VUKONICH 14831			
Certificate Number 14831			

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 DIVISION1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-045- 33667

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

NMSF-078197

7. Lease Name or Unit Agreement Name

Nye Federal Com

8. Well Number

3M

9. OGRID Number

14538

10. Pool name or Wildcat

Blanco Mesaverde/ Basin Dakota

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 H : 1815 feet from the North line and 660 feet from the East line
Section 9 Township 29N Rng 10W NMPM County San Juan11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5790'

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

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 ☐

OTHER:

New Drill ☒**SUBSEQUENT REPORT OF:**REMEDIAL WORK ☐ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐P AND A ☐CASING/CEMENT JOB ☐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 Amanda Sandoval TITLE Regulatory Assistant III DATE 3/21/2006Type or print name
For State Use Only

Amanda Sandoval

E-mail address:

asandoval@br-inc.com

Telephone No.

505-326-9700

APPROVED BY

TITLE

DEPUTY OIL & GAS INSPECTOR DIST 4

DATE

APR 19 2006

Conditions of Approval (if any):

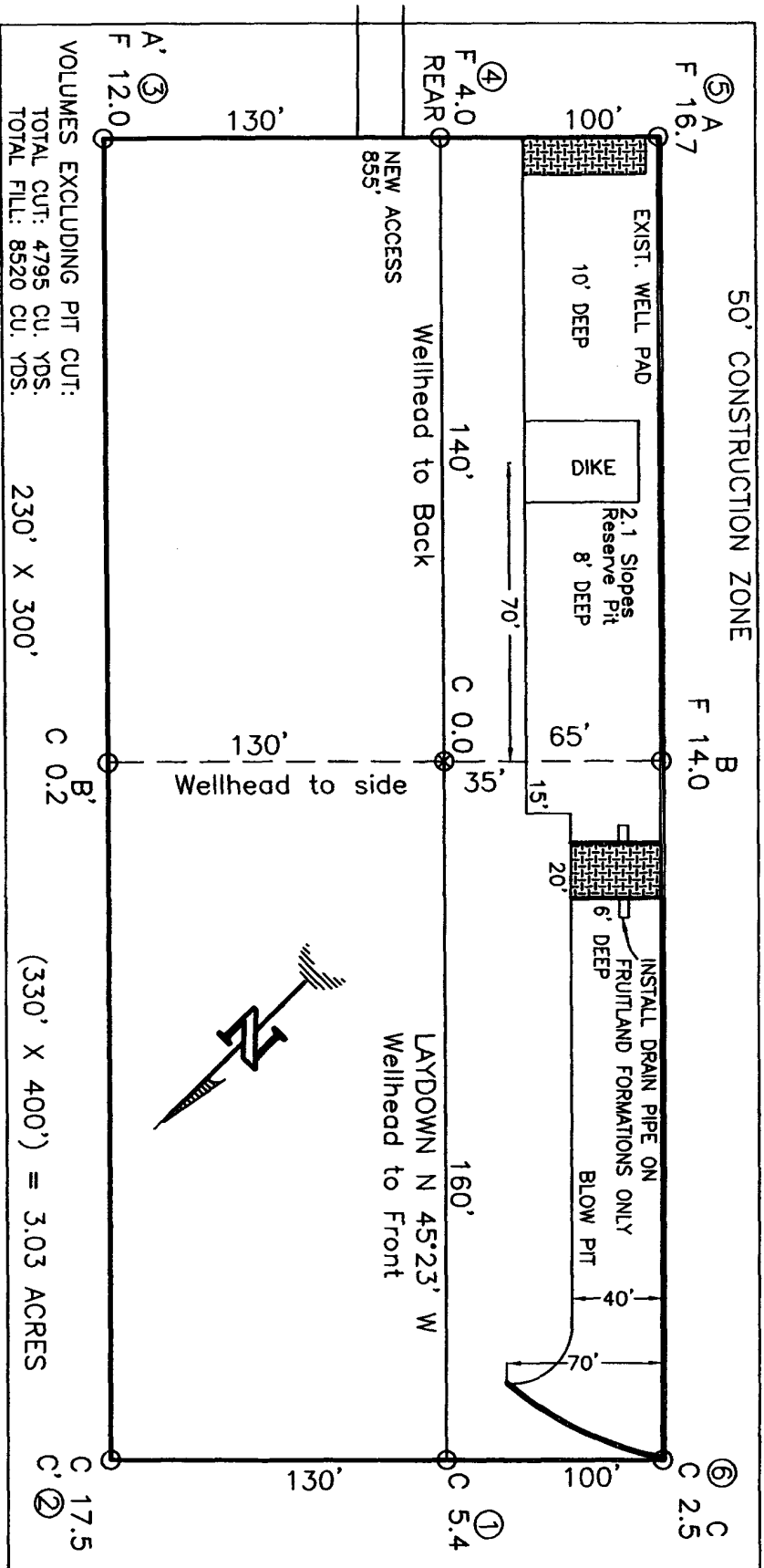
BURLINGTON RESOURCES OIL & GAS COMPANY LP

NYE FEDERAL COM NO. 3M, 1815 FNL 660 FEL

SECTION 9, T-29-N, R-10-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

GROUND ELEVATION: 5790, DATE: FEBRUARY 7, 2006

NAD 83
LAT. = 36.74291° N
LONG. = 107.88357° W
NAD 27
LAT. = 36°44.5744' N
LONG. = 107°52.9770' W



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: ESTIMATED VOLUMES CALCULATED BY AVERAGE END AREA AT CROSS-SECTION SHOWN

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.



Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15008 • Farmington, NM 87401
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO L.S. 14831

DRAWN BY: A.G. DATE: 02/20/06
CHECKED BY: BHO/147/B
DATE: 02/20/06

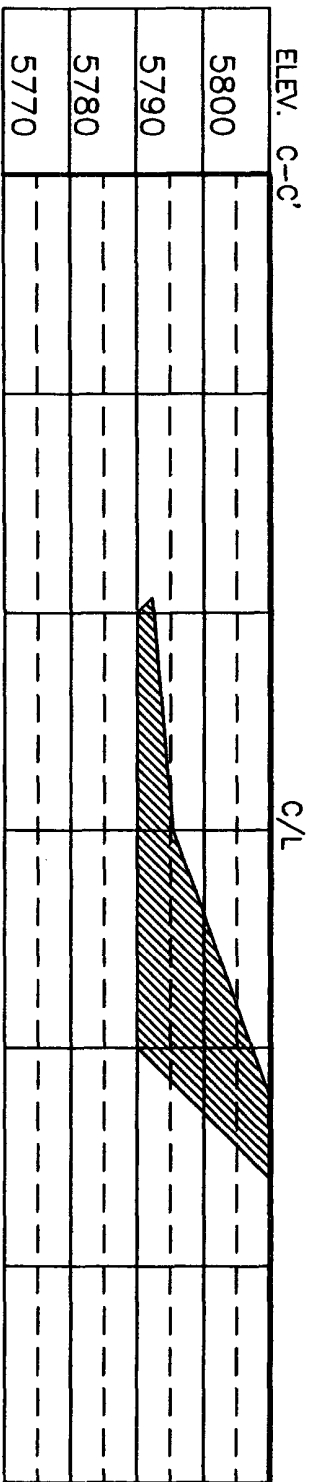
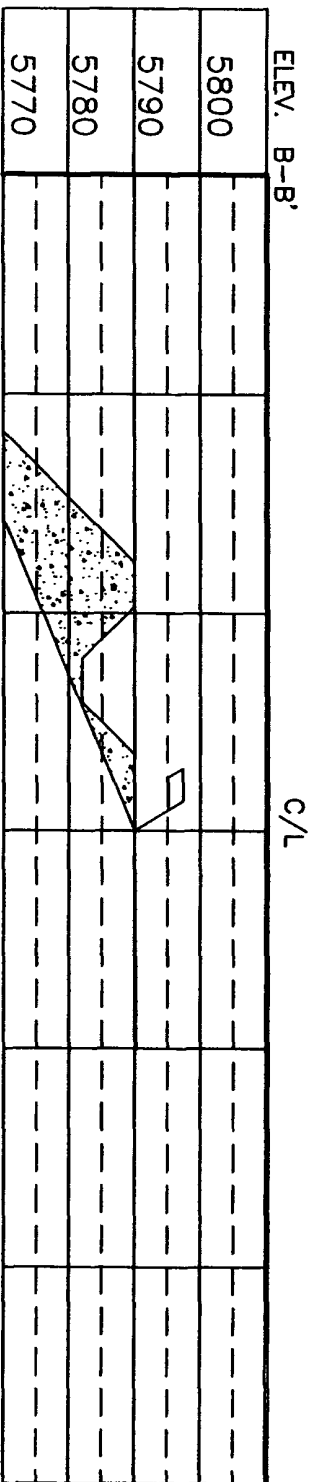
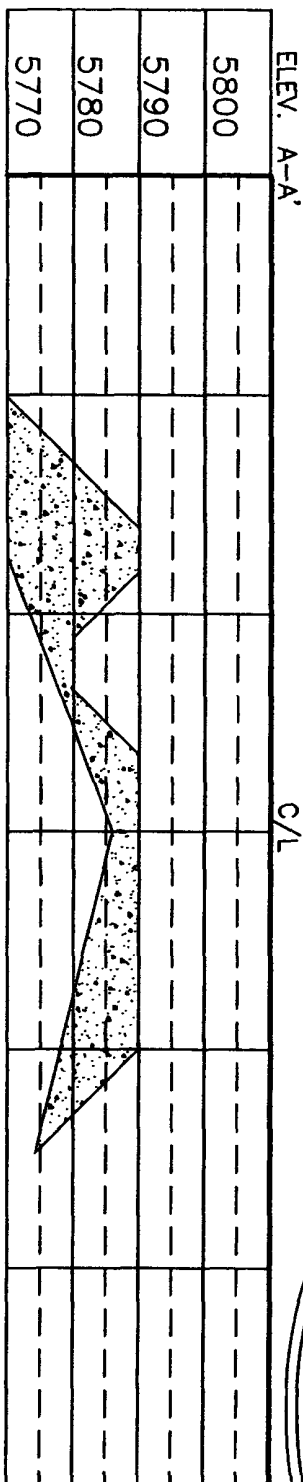
BURLINGTON RESOURCES OIL & GAS COMPANY LP

NYE FEDERAL COM No. 3M, 1815 FNL 660 FEL

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Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 • Farmington, NM 87401
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO U.S. 14831

DESIGN BY: A.C.

DATE: 02/22/06

OPERATIONS PLAN

Well Name: NYE FEDERAL COM 3M
Location: 1815' FNL & 660' FEL, Section 09 T29N R10W
San Juan County, New Mexico

Formation: Blanco Mesaverde/Basin Dakota
Elevation: 5790' GL
6256' GL

Surface	San Jose	1032'	
Ojo Alamo	1032'	1092'	aquifer
Kirtland	1092'	1929'	gas
Fruitland Coal	1929'	2204'	gas
Pictured Cliffs	2204'	2320'	gas
Lewis	2320'	2822'	
Huerfanito Bentonite	2822'		
Chacra	3202'	3780'	gas
Upper Cliff House	3780'	3862'	gas
Massive Cliff House	3862'	3900'	gas
Menefee	3900'	4506'	gas
Massive Point Lookout	4506'	4887'	gas
Mancos Shale	4887'	5727'	
Upper Gallup	5727'	6477'	gas
Greenhorn	6477'	6537'	gas
Graneros	6537'	6600'	gas
Two Wells	6600'	6662'	gas
Paguate	6662'	6722'	gas
Cubero	6722'	6779'	gas
Encinal	6779'	6779'	gas
Total Depth:	6779'		gas

Logging Program:

Mud Logs/Coring/DST

Mud logs - none
Coring - none
DST - none
Open hole - none
Cased hole - Gamma Ray, CBL - surface to TD

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0 - 120 200	Spud MUD/Air/Air Mist	8.4 - 9.0	40 - 50	no control
120 - 2420'	LSND	8.4 - 9.0	30 - 60	no control
2420 - 6779'	Air/Air Mist/Nitrogen	n/a	n/a	n/a

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' 200'	9 5/8"	32.3#	H-40
8 3/4"	0' - 2420'	7"	20/23#	J-55
6 1/4"	0' - 6779'	4 1/2"	10.5#	J-55

Tubing Program:

<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
0' - 6779'	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. *BOP*

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. *BOP*

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.

C. HARRADEN/ March 27, 2006 *CH*

BURLINGTON RESOURCES/ Nye Federal Com #3M APD
STIPULATION/CONDITION OF APPROVAL

This well is located within a 'vulnerable area'. In order to protect the integrity of the fresh water alluvium aquifer, a minimum surface csg. depth of 200' is stipulated as a condition of approval for this APD.

Cementing:

9 5/8" surface casing -

Pre-Set Drilled - Cement with ~~23 62~~ Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (~~33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100~~, bring cement to surface) Wait on cement for 24 hours for pre-set holes before pressure testing or drilling out from under surface. 147

Conventionally Drilled - Cement with 88 sx Type III cement with 0.25 pps Celloflake, 2% CaCl₂, 13 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 195 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 (539 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/25 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss. Tail w/90 sxs Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. Second stage: 170 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (539 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 @ 1092'. Two turbolating centralizers at the base of the Ojo Alamo @ 1092'. 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 300 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 (593 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):

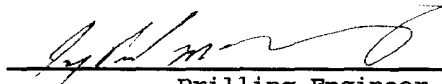
The following equipment will be operational while air/mist drilling:

- 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 north half of Section 9 is dedicated to the Mesa Verde formation and Dakota formation.
- This gas is dedicated.



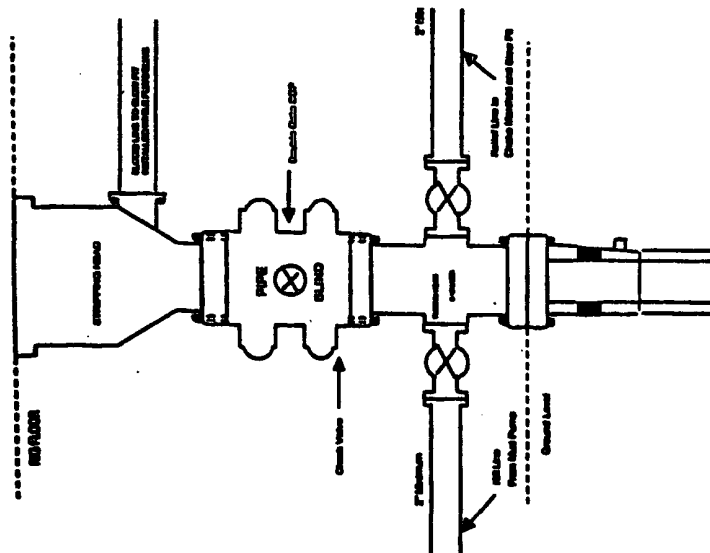
Drilling Engineer



Date

BURLINGTON RESOURCES

Completion/Workover Rig
BOP Configuration
2,000 psi System

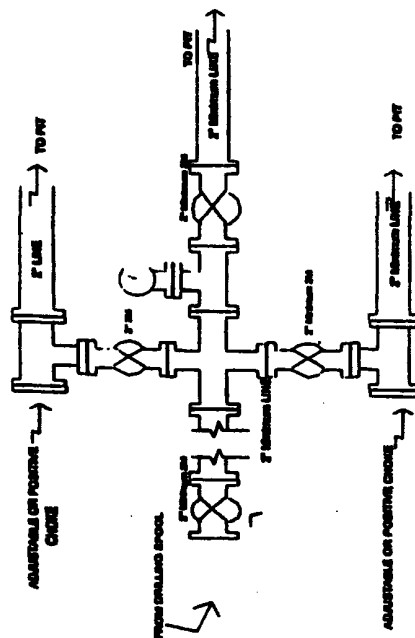


Minimum BOP installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 800 psi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

Figure #2

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System

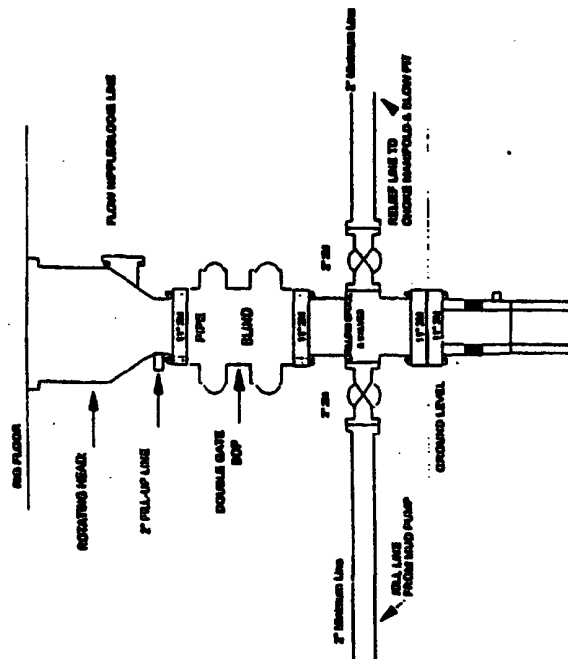


Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

Burlington Resources

Drilling Rig
2000 psi System



BOP Installation from Surface Casing Point to Total Depth. 11" Bore 10" Minimum, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 800 psi casing head on top of ram prevention. All BOP equipment is 2,000 psi working pressure.

Figure #1