

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 SF-078197 Unit Reporting Number NMNM-0738780	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name 070 FARMINGTON NM	
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 #3P	
4. Location of Well 970' FNL, 1745' FEL Latitude 36° 44.7135'N, Longitude 107° 53.1991'W <i>Lot 2</i>	10. Field, Pool, Wildcat Blanco Mesaverde/Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 9, T29N, R10W API # 30-045-33668	
14. Distance in Miles from Nearest Town 5.8 miles to Blanco, NM Post Office	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 970'	17. Acres Assigned to Well N/2 317.6 acres MV N/2 317.6 acres DK	
16. Acres in Lease		
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 52'		
19. Proposed Depth 6799'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 5798' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <i>Joni Clark</i> Regulatory Specialist	<i>3/28/06</i> Date	

PERMIT NO.

APPROVAL DATE

APPROVED BY *D. Mantec*

TITLE *AFM*

DATE *4/17/06*

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.

DRILLING AND DEEPENING PERMITS
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.2
and appeal pursuant to 43 CFR 3165.4

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 53

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045- 33668	² Pool Code 72319 / 71599	³ Pool Name Blanco Mesaverde / Basin Dakota
⁴ Property Code 18413	⁵ Property Name NYE FEDERAL COM	⁶ Well Number 3P
⁷ GRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	⁹ Elevation 5798

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
B	9	29-N	10-W	2	970	NORTH	1745	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
B									
¹² Dedicated Acres MV 317.6 ac N2 DK 317.6 ac N2		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
LOT 5 40.07	LOT 6 39.83	LOT 7 39.70	LOT 8 39.51
LOT 12 40.26	LOT 11 40.07	LOT 10 39.89	LOT 9 39.70
LOT 13 40.44	LOT 14 40.25	LOT 15 40.07	LOT 16 39.88

FD 3 1/4" BC
1967 BLM

S 89°53'33" W
2608.06' (M)

FD 2 1/2" BC
1967 BLM

USA SF-078197

1745'

N 00°01'59" W
2616.57' (M)

LAT: 36.74523' N. (NAD 83)
LONG: 107.88727' W. (NAD 83)
LAT: 36°44.7135' N. (NAD 27)
LONG: 107°53.1991' W. (NAD 27)

APR 2006

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: Philana Thompson
Date: 3/16/06

Printed Name: Philana Thompson

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 9, 2006
Date of Survey

Signature: JONATHAN VERONICA
Surveyor

14831
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number: 14831

Submit 3 Copies To Appropriate District Office

State of New Mexico

Form C-103
May 27, 2004

Energy, Minerals and Natural Resources

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 DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-045-

33068

5. Indicate Type of Lease

STATE ☐

FEE ☐

6. State Oil & Gas Lease No.

SF-078197

7. Lease Name or Unit Agreement Name

Nye Federal Com

8. Well Number

3P

9. OGRID Number

14538

10. Pool name or Wildcat

Blanco MV/ Basin DK

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 **B** : **970** feet from the **North** line and **1745** feet from the **East** line

Section **9** Township **29N** Range **10W** NMPM County **San Juan**

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

Pit or Below-grade Tank Application

☒ or Closure ☐

Pit type **ND** Depth to Groundwater **<100'** Distance from nearest fresh water well

>1000' Distance from nearest surface water

Pit Liner Thickness:

12

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 ☒

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, Lined:

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 will be a lined 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 lined 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

Joni Clark

TITLE

Sr. Staff Regulatory Specialist

DATE

3/22/2006

Type or print name

Joni Clark

E-mail address:

jclark@br-inc.com

Telephone No.

505-326-9701

For State Use Only

APPROVED BY

[Signature]

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 4

DATE

APR 19 2006

Conditions of Approval (if any):

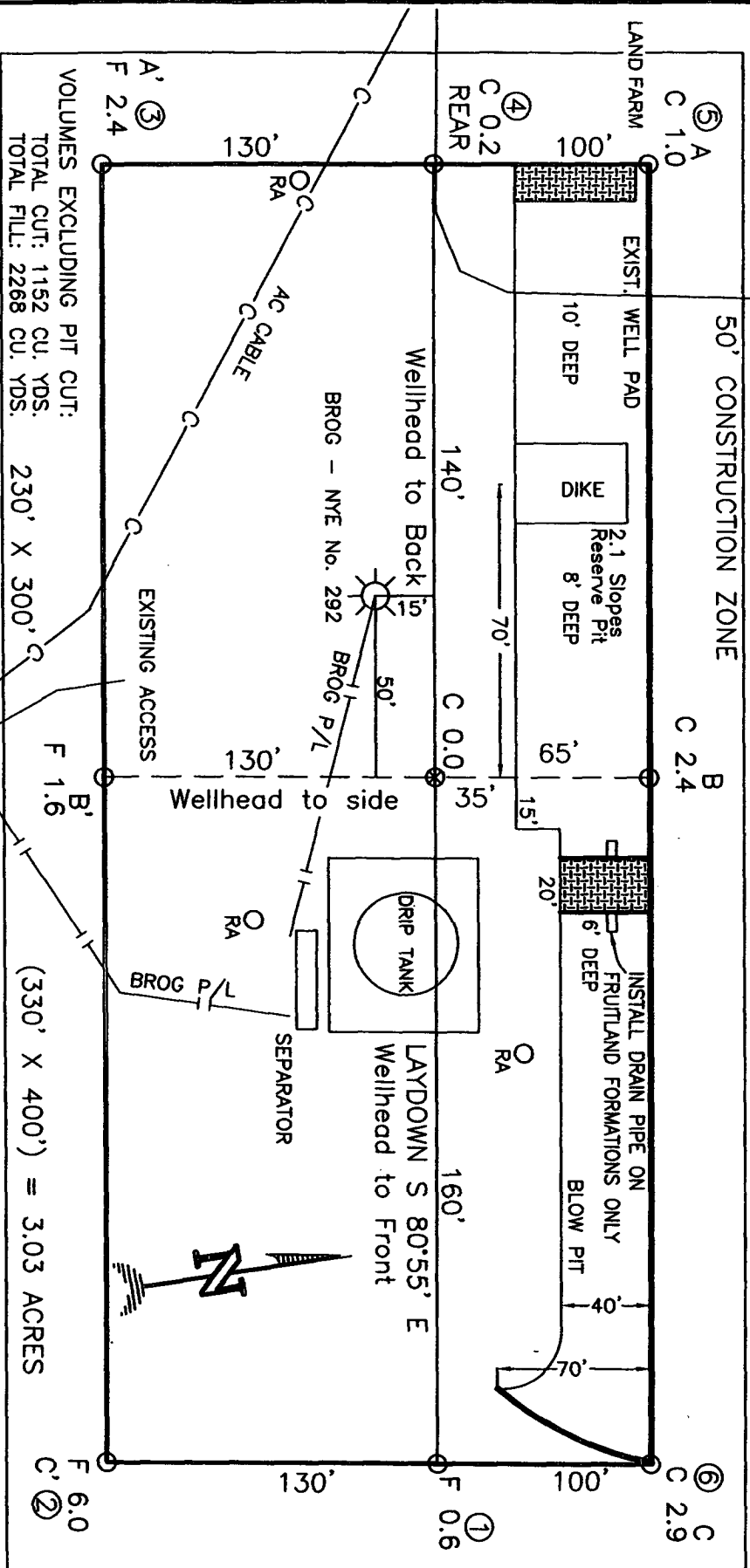
BURLINGTON RESOURCES OIL & GAS COMPANY LP

NYE FEDERAL COM No. 3P, 970 FNL 1745 FEL

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

GROUND ELEVATION: 5798, DATE: FEBRUARY 9, 2006


NAD 83
LAT. = 36.74523° N
LONG. = 107.88727° W
NAD 27
LAT. = 36°44.7135' N
LONG. = 107°53.1991' W



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 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. 14831	
DRAWN BY: A.G. CHECKED: BR315R15	DATE: 02/22/06

NYE FEDERAL COM NO. 3P, 970 FNL 1745 FEL

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

GROUND ELEVATION: 5798, DATE: FEBRUARY 9, 2006

C/L

[illegible]

C/L

[illegible]

C/L

5810							
5800							
5790							
5780							

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.

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LAT. = 36°44.7135' N
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Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15088 • Farmington, NM 87401
Phone (505) 328-1772 • Fax (505) 328-8019
NEW MEXICO U.S. 14831

DRUMM BR: A.G.
ROW#: BR615

CAD FILE: BR615C
DATE: 02/22/06

OPERATIONS PLAN

Well Name: NYE FEDERAL COM 3P
Location: 970' FNL & 1745' FEL, Section 09 T29N R10W
San Juan County, New Mexico
Formation:
Elevation: Blanco Mesaverde/Basin Dakota
5798' GL

Surface	San Jose		
Surface	San Jose	977'	
Ojo Alamo	977'	1101'	aquifer
Kirtland	1101'	1952'	gas
Fruitland Coal	1952'	2212'	gas
Pictured Cliffs	2212'	2330'	gas
Lewis	2330'	2829'	
Huerfanito Bentonite	2829'		
Chacra	3209'	3787'	gas
Upper Cliff House	3787'	3869'	gas
Massive Cliff House	3869'	3907'	gas
Menefee	3907'	4513'	gas
Massive Point Lookout	4513'	4895'	gas
Mancos Shale	4895'	5736'	
Upper Gallup	5736'	6485'	gas
Greenhorn	6485'	6545'	gas
Graneros	6545'	6610'	gas
Two Wells	6610'	6670'	gas
Paguate	6670'	6735'	gas
Cubero	6735'	6791'	gas
Encinal	6791'	6799'	gas
Total Depth:	6799'		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 - 2430'	LSND	8.4 - 9.0	30 - 60	no control
2430 - 6799'	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' - 2430'	7"	20/23#	J-55
6 1/4"	0' - 6799'	4 1/2"	10.5#	J-55

Tubing Program:

<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
0' - 6799'	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 ~~GH~~

BURLINGTON RESOURCES/ Nye Federal Com #3P 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 ~~88~~ Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (~~bring cement to surface~~), 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. 153 1.13 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 196 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 (542 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/24 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: 172 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (542 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 @ 1101'. Two turbolating centralizers at the base of the Ojo Alamo @ 1101'. 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 (595 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 the East half of Section 9 is dedicated to the Dakota formation.
- This gas is dedicated.


Drilling Engineer

3/23/06
Date

Burlington Resources

Drilling Rig 2000 psi System

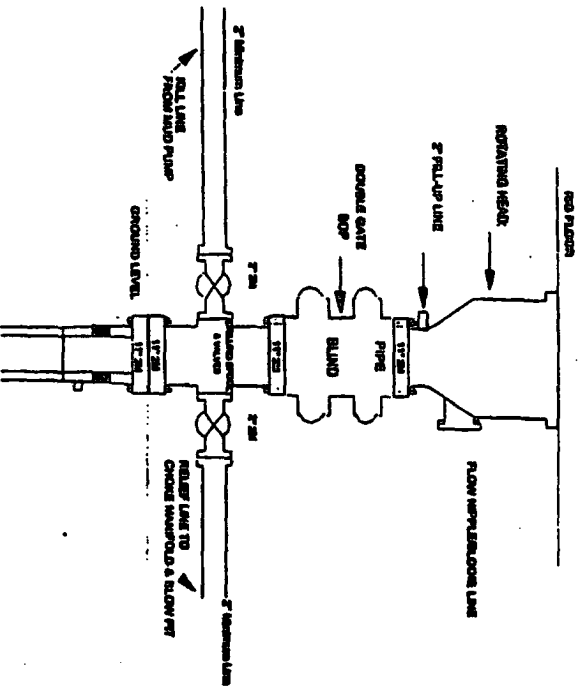


Figure #1

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

BURLINGTON RESOURCES

Drilling Rig Choke Manifold Configuration 2000 psi System

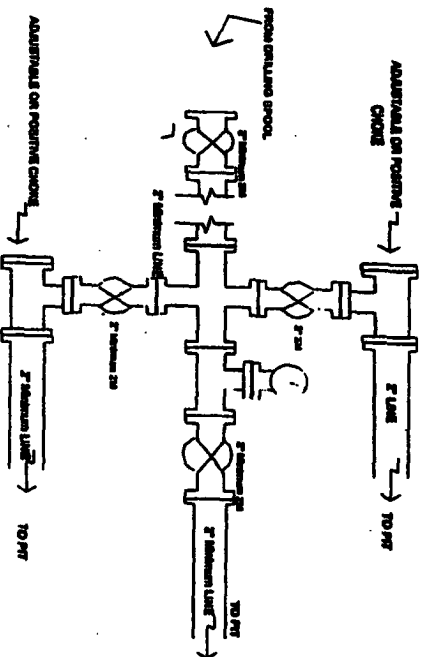


Figure #3

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

4-20-01

BURLINGTON RESOURCES

Completion/Workover Rig BOP Configuration 2,000 psi System

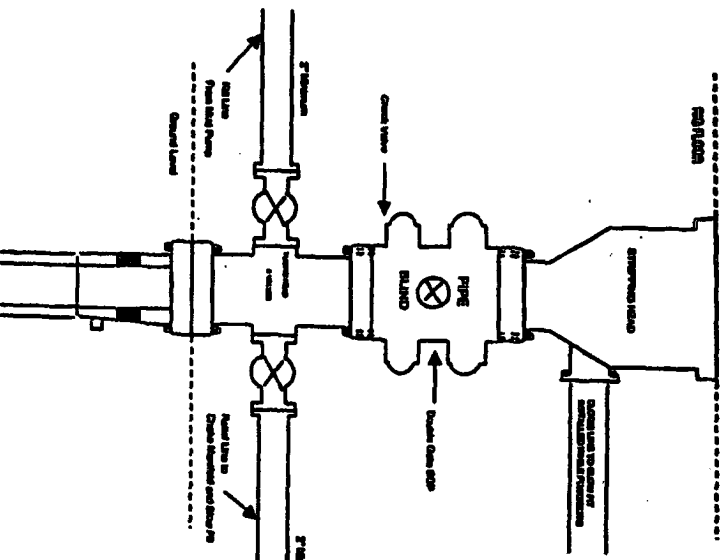


Figure #2

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

4-20-01