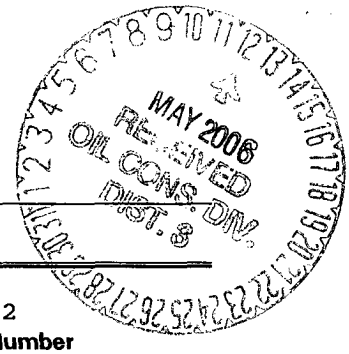
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2006 APR 6 PM 12 57

RECEIVED
070 FARMINGTON NM

1a. Type of Work
DRILL

5. Lease Number
SF-078212
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
McCord
9. Well Number
#1F

4. Location of Well
1790' FSL, 970' FWL

Latitude 36° 48.6509'N, Longitude 108° 11.8629'W

10. Field, Pool, Wildcat
Basin Dakota
11. Sec., Twn, Rge, Mer. (NMPM)
Sec. 15, T30N, R13W
API # 30-045- 33687

14. Distance in Miles from Nearest Town
8 miles to Farmington, NM

12. County
San Juan

13. State
NM

15. Distance from Proposed Location to Nearest Property or Lease Line
970'

16. Acres in Lease

17. Acres Assigned to Well
W/2 320 acres

18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease
895'

19. Proposed Depth
6358'

20. Rotary or Cable Tools
Rotary

21. Elevations (DF, FT, GR, Etc.)
5660' GR

22. Approx. Date Work will Start

23. Proposed Casing and Cementing Program
See Operations Plan attached

24. Authorized by: Joni Clark
Regulatory Specialist

4/6/06
Date

PERMIT NO.

APPROVAL DATE

APPROVED BY [signature] **TITLE** AFM **DATE** 5/9/06

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.

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

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

NMOCD

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

DISTRICT II
811 South First, Artesia, N.M. 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

2006 FEB 6 PM 12 57
RECEIVED
070 FARMINGTON NM

Form C-102
Revised August 15, 2000

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045- 33687	71599	Basin Dakota

[4] Property Code	[5] Property Name	[6] Well Number
7300	MCCORD	1F

[7] OGRID No.	[8] Operator Name	[9] Elevation
14538	BURLINGTON RESOURCES OIL AND GAS COMPANY LP	5660'

[10] Surface Location

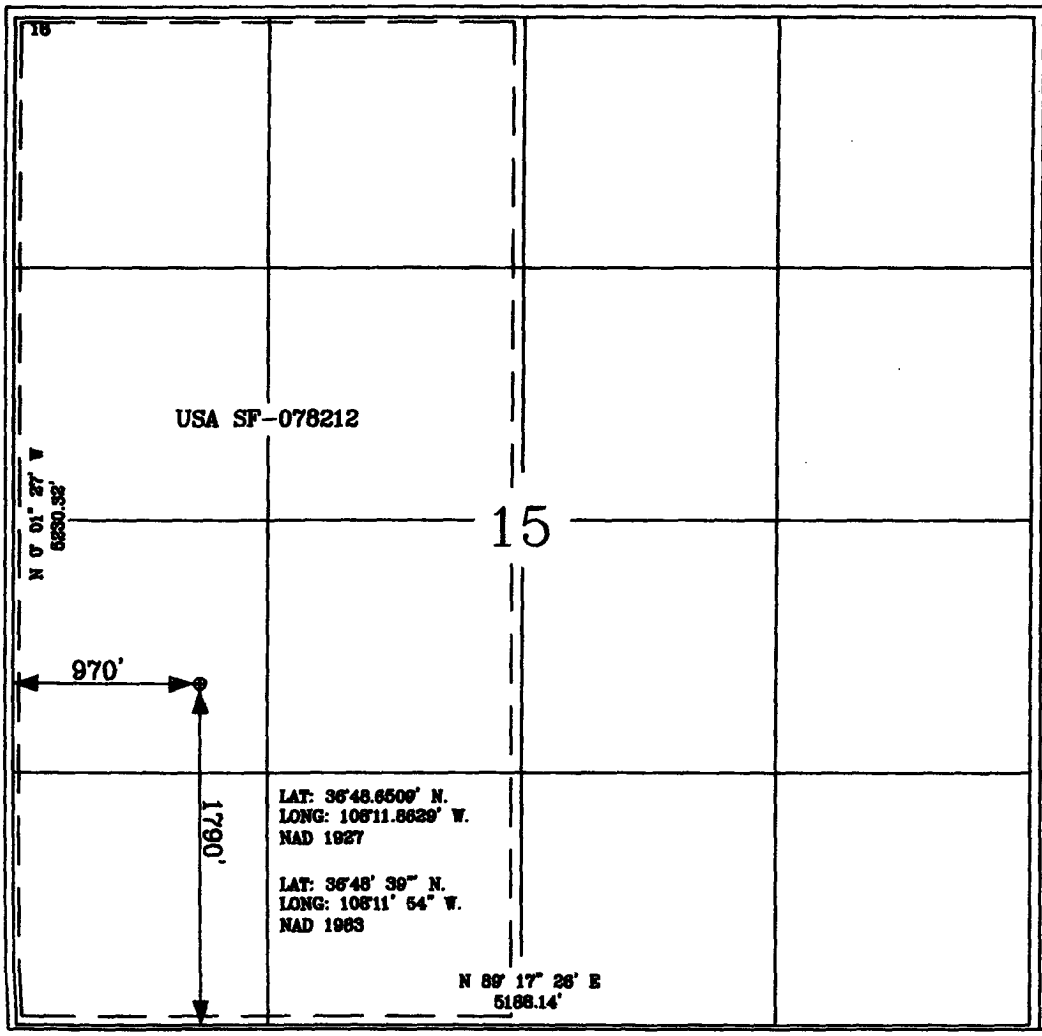
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	15	30-N	13-W		1790'	SOUTH	970'	WEST	SAN JUAN

[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
L									

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
DK 320.0 ac W2			

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



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Philana Thompson
Printed Name

Regulatory Assistant III.
Title

3/20/2006
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.

Date of Survey: JANUARY 06, 2006

Signature and Seal of Professional Surveyor:

GLEN W. RUSSELL
NEW MEXICO
15703
LICENSED PROFESSIONAL SURVEYOR

Certificate Number 15703

Submit 3 Copies To Appropriate District Office

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

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30-045- 33687

5. Indicate Type of Lease STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: McCord

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number: 1F

2. Name of Operator: BURLINGTON RESOURCES OIL & GAS COMPANY LP

9. OGRID Number: 14538

3. Address of Operator: 3401 E. 30TH STREET, FARMINGTON, NM 87402

10. Pool name or Wildcat: Basin Dakota

4. Well Location
Unit Letter L : 1790 feet from the South line and 970 feet from the West line
Section 15 Township 30N Range 13W NMPM County San Juan

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 5660' GL

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 >200' <1000'

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:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	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 4/6/2006

Type or print name Joni Clark E-mail address: jclark@br-inc.com Telephone No. 505-326-9701

For State Use Only

APPPROVED BY _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAY 12 2006

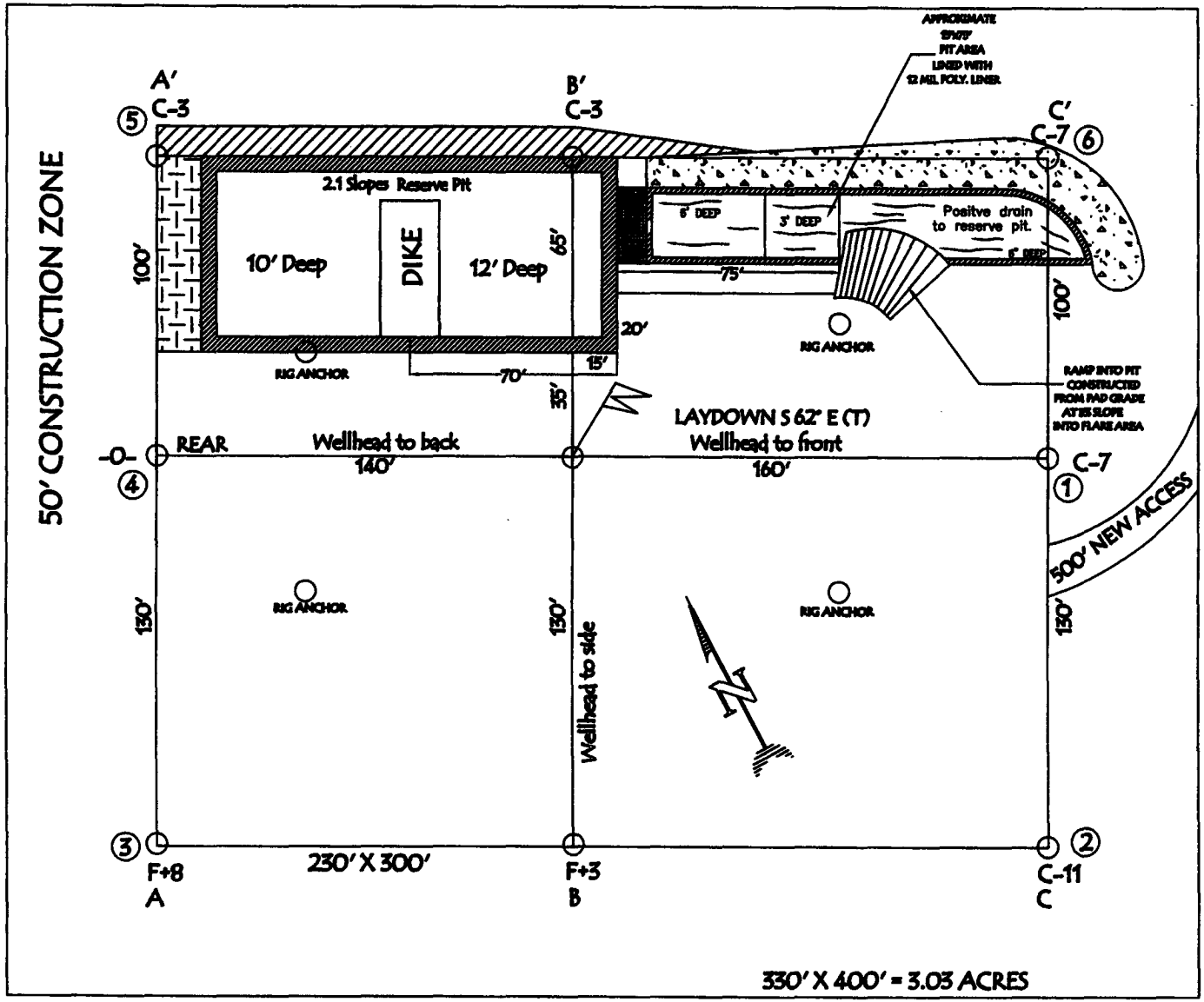
Conditions of Approval (if any):

BURLINGTON RESOURCES OIL & GAS COMPANY LP

MCCORD 1F, 1790' FSL & 970' FWL

SECTION 15, T-30- N, R-13-W, NMPM, SAN JUAN COUNTY, NM

GROUND ELEVATION: 5660', DATE: MARCH 6, 2006



LAT: 36° 48.6509' N LONG: 108° 11.8629' W NAD27

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

BLOW PIT: OVERFLOW PIPE 4' ABOVE BOTTOM OF BLOW PIT.

NOTE: VECTOR SURVEYS IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.
CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED
PIPLINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

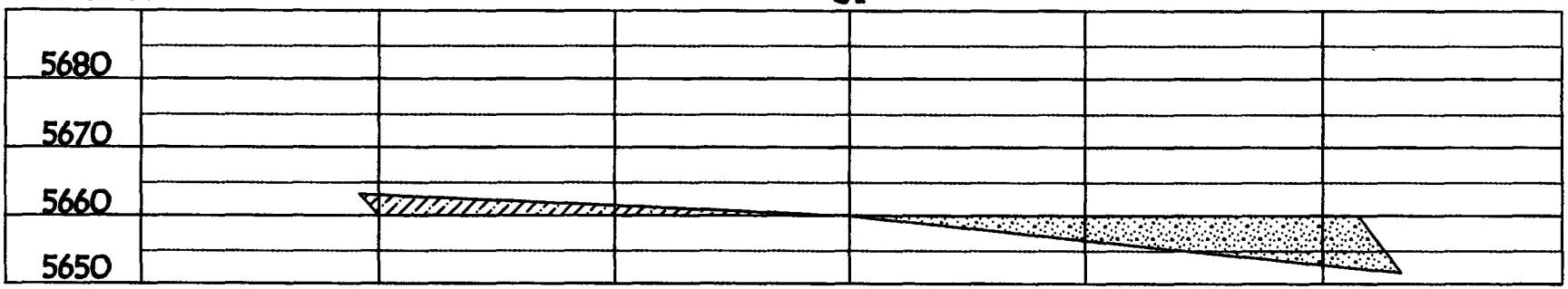
BURLINGTON RESOURCES OIL & GAS COMPANY LP

MCCORD 1F, 1790' FSL & 970' FWL

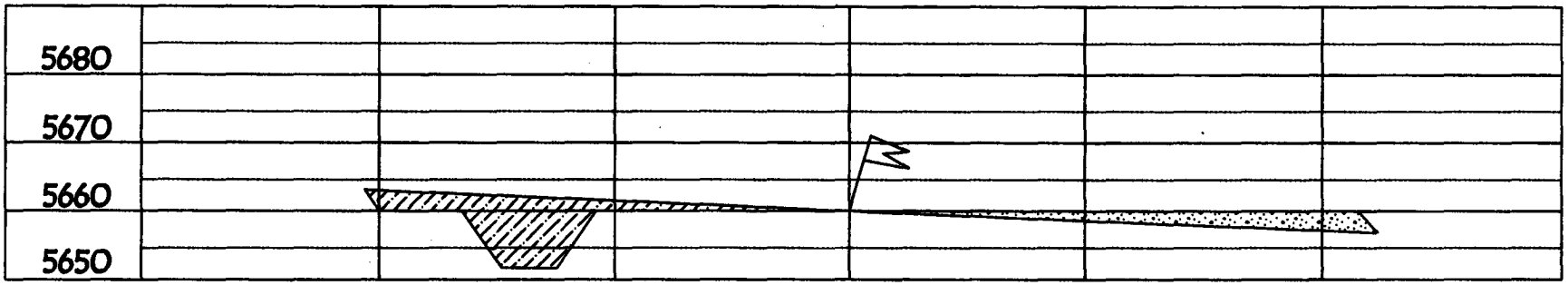
SECTION 15, T-30- N, R-13-W, NMPM, SAN JUAN COUNTY, NM

GROUND ELEVATION: 5660', DATE: MARCH 6, 2006

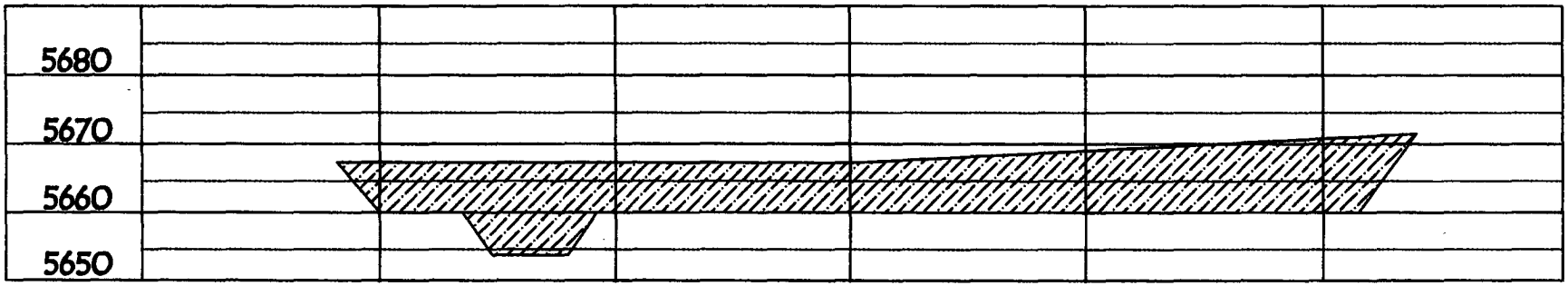
ELEV. A'-A



ELEV. B'-B



ELEV. C'-C



NOTE: VECTOR SURVEYS IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPLINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

OPERATIONS PLAN

Well Name: McCord #1F
Location: 1790'FSL, 970' FWL, Section 15, T-30-N, R-13-W
San Juan County, New Mexico
Latitude 36° 48.6509', Longitude 108° 11.8629'
Formation: Basin Dakota
Elevation: 5660'GL

Formation Tops:	***Top***	***Bottom***	***Contents***
Surface	San Jose	259'	
Ojo Alamo	259'	297'	aquifer
Kirtland	297'	1302'	gas
Fruitland	1302'	1664'	
Pictured Cliffs	1664'	1822'	gas
Lewis	1822'	2395'	gas
Huerfanito Bentonite	2395'	2695'	gas
Chacra	2695'	3227'	gas
Cliff House	3227'	3349'	
Menefee	3349'	4012'	gas
Point Lookout	4012'	4434'	gas
Mancos	4434'	5342'	gas
Gallup	5342'	6096'	gas
Greenhorn	6096'	6156'	gas
Graneros	6156'	6207'	gas
Two Wells	6207'	6273'	
Paguate	6273'	6324'	
Cubero	6324'	6358'	
Encinal	6358'	6358'	gas
TD	**6358'**		

Logging Program:
Mud Logs/Coring/DST -
Mud logs - none
Coring - none
DST - none
Open hole - none
Cased hole - Gamma Ray - surface to TD

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0- ~~300'~~ 320'	Spud MUD [redacted]	8.4-9.0	40-50	no control
300'- 6358'	LSND	8.4-9.0	30-60	no control

Casing Program (as listed, the equivalent, or better):

Hole Size	Depth Interval	Csg.Size	Wt.	Grade
12 1/4"	0' - ~~300'~~ 320'	8 5/8"	24.0#	J-55
7 7/8"	0' - 6358'	4 1/2"	10.5#	J-55

Tubing Program: 0' - 6358' 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~~ BOPE and casing will be tested to 600 psi for 30 minutes.

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~~ BOPE and casing will be tested to 1500 psi for 30 minutes.

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 -
8 5/8" x 4 ½" 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.

Cementing:

8 5/8" surface ~~290~~ 321 sacks conventionally drilled -
Cement with ~~290~~ 321 sacks Type III cement with 0.25 pps Celloflake, 3% calcium chloride. (200% excess, bring cement to 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.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

4 1/2" Production Casing Two Stage -
Stage collar set @ 3862'. First Stage: Lead with w/275 sacks Premium Lite HS FM cmt w/0.25 pps celloflake, 0.3% CD-32, 6.25 pps LCM-1 and 1% FL-52. Second Stage: 416 sacks Premium Lite cmt w/3% calcium chloride, 0.4% metasilicate, 0.25 pps celloflake, 5 pps LCM-1 and 0.4% FL-52. (2142 cu ft - 50% excess, circulate to surface, run CBL/temperature survey if cement is not circulated to surface.)

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every fourth joint off bottom, to the base of the Ojo Alamo @ 297'. Two turbolating centralizers at the base of the Ojo Alamo 297'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

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.

Special Drilling Operations (Air/Mist Drilling):

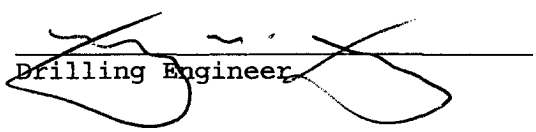
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

Additional Information:

- The Dakota formation will be completed.
- 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	2500 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 west half of Section 15 is dedicated to the Dakota formation.
- This gas is dedicated.



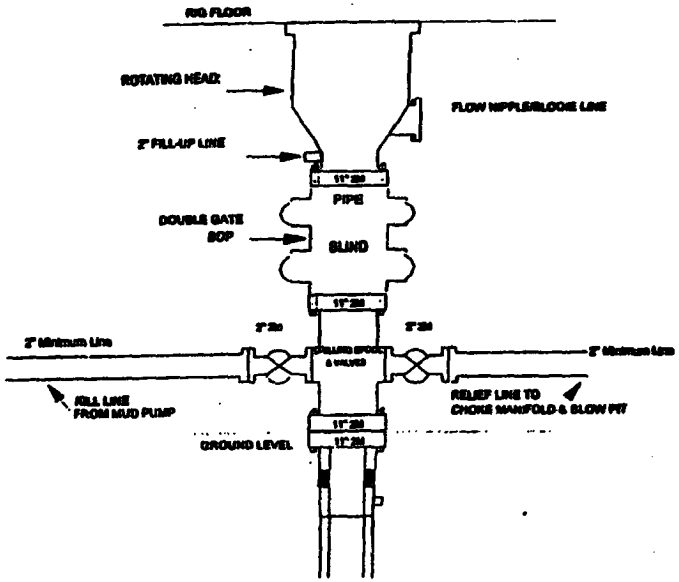
Drilling Engineer

4/6/06
Date

Blowout preventor equipment (BOPE) tests must be performed using an appropriately sized test plug. The BOPE test must be performed and recorded using a test pump, calibrated test gauges and a properly calibrated strip or chart recorder. The test must be recorded in the driller's log and will include a low pressure test requirement of 250 psig held for five minutes and a high pressure test requirement held for ten minutes as described in Onshore Order No. 2 or otherwise authorized in the Application for Permit to Drill (APD). A successful BOPE test using a test plug is considered when no pressure drop occurs over the duration of the test. Test gauges and recorders must be of the proper range and resolution commensurate with the authorized test pressure. Where intermediate casing strings are used, only one BOPE test will be necessary contingent upon the test being conducted to the highest approved test pressure to which the BOPE will be exposed. Casing pressure tests must be held for 30 minutes with no more than a 10 percent pressure drop during the duration of the test.

Burlington Resources

Drilling Rig
2000 psi System



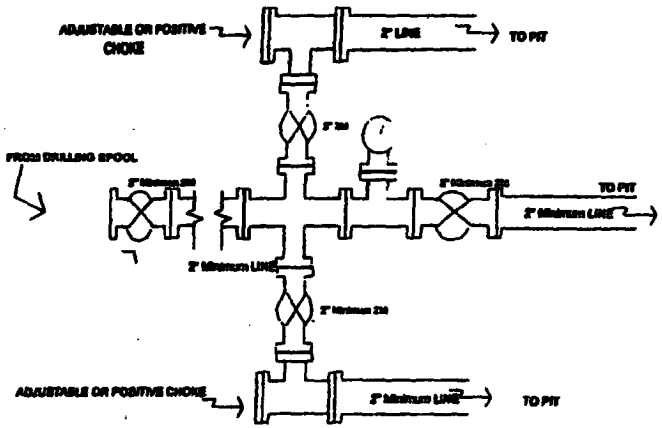
BOP installation from Surface Casing Point to Total Depth. 11" Bore 10" Nominal, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 500 psi rotating head on top of ram preventers. All BOP equipment is 2,000 psi working pressure

4-20-01

Figure #1

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System

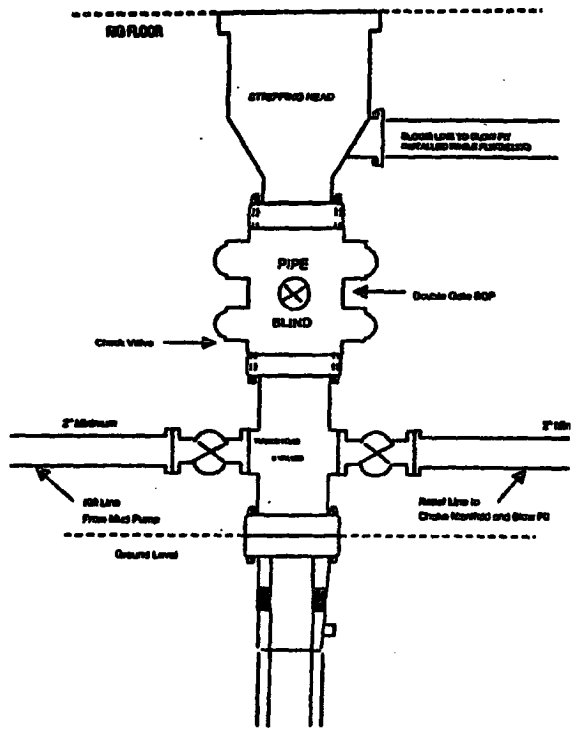


Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

BURLINGTON RESOURCES

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 500 psi stripping head.

Figure #2

4-20-01