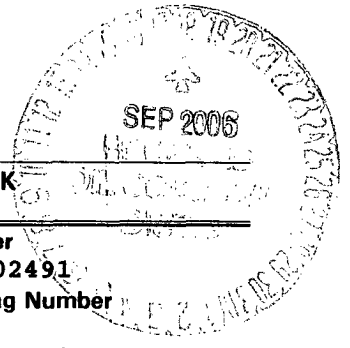


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	2006 SEP 1 AM 8 51	5. Lease Number NMNM-02491
1b. Type of Well GAS	RECEIVED 070 FARMINGTON NM	Unit Reporting Number
2. Operator <b>BURLINGTON</b> RESOURCES Oil & Gas Company, LP	7. Unit Agreement Name	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Federal A #1N	
4. Location of Well <i>670 2450</i> Unit D (NWNW), <i>700'</i> FNL & <i>1120'</i> FWL,  Latitude 36° 78890'N Longitude 107° 98333'W	10. Field, Pool, Wildcat Basin Dakota / Blanco MV  11. Sec., Twn, Rge, Mer. (NMPM) Sec. 27, T30N, R11W  API # 30-045- <i>33923</i>	
14. Distance in Miles from Nearest Town	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 700'	17. Acres Assigned to Well MV/DK - <del>317.40</del> N/2 <i>317.66</i>	
16. Acres in Lease	18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 1315' from XTO Murphy D#3 / PC	
19. Proposed Depth <del>5016</del> <i>6885</i>	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) <del>5016</del> <i>5916</i>	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <i>Patrick Clugston</i> Sr. Regulatory Specialist	Date <i>8/30/06</i>	

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
APPROVED BY *[Signature]* TITLE *AFM* DATE *9/19/06*

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

NMOC

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

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

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

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

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

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33923	*Pool Code 72319 / 71599	*Pool Name Dianco-MESA VERDE/DAKOTA
*Property Code 7005	*Property Name FEDERAL A	*Well Number 1 N
*GRID No. 14538	*Operator Name BURLINGTON RESOURCES O&G CO LP	*Elevation 5916'

<sup>10</sup> Surface Location

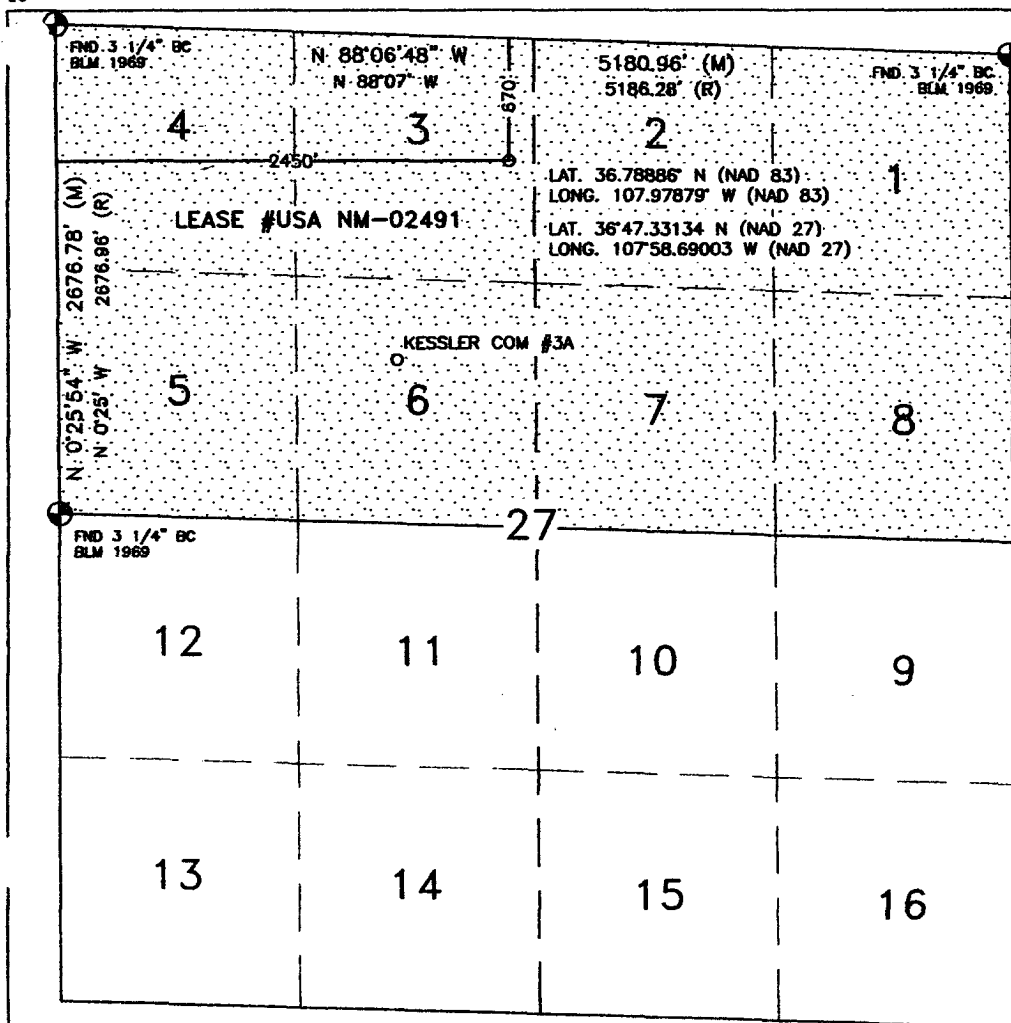
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	30N	11W	3	670'	NORTH	2450'	WEST	SAN JUAN

<sup>11</sup> 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
*Dedicated Acres 317.66 Acres - (N/2)					*Joint or Infill		*Consolidation Code		*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



17 OPERATOR CERTIFICATION

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

Signature: Patsy Clugston  
Printed Name: Patsy Clugston  
Title: Sr. Regulatory Specialist  
Date: 9-5-06

18 SURVEYOR CERTIFICATION

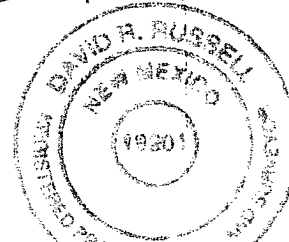
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JULY 12, 2006

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL

Certificate Number

10201

1625 N. French Dr., Hobbs, NM 88240

1301 W. Grand Ave., Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

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

May 27, 2004

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-045- <b>33923</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator BURLINGTON RESOURCES OIL & GAS COMPANY LP		6. State Oil & Gas Lease No.
3. Address of Operator 3401 E. 30TH STREET, FARMINGTON, NM 87402		7. Lease Name or Unit Agreement Name Federal A
4. Well Location Unit Letter <u>D</u> : <u>670</u> feet from the <u>North</u> line and <u>2450</u> feet from the <u>West</u> line Section <u>27</u> Township <u>30N</u> Rng <u>11W</u> NMPM County <u>San Juan</u>		8. Well Number #1N
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5918' GL		9. OGRID Number 14538
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Basin DK / Blanco MV
Pit type <u>New Drill</u> Depth to Groundwater <u>&gt;100'</u> Distance from nearest fresh water well <u>&gt;1000'</u> Distance from nearest surface water <u>&lt;1000'</u> Pit Liner Thickness: <u>n/a</u> mil Below-Grade Tank: <u>Volume</u> bbls; Construction Material		

## 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

## NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐TEMPORARILY ABANDON ☐PULL OR ALTER CASING ☐PLUG AND ABANDON ☐CHANGE PLANS ☐MULTIPLE COMPL ☐

OTHER:

New Drill ☒

## SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐COMMENCE DRILLING OPNS. ☐CASING/CEMENT JOB ☐ALTERING CASING ☐P AND A ☐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/flame pit. Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit and vent/flame 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 NMOCDD office. A portion of the vent/flame 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 NMOCDD 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 NMOCDD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Patsy Clugston TITLE Sr. Regulatory Specialist DATE 8/28/2006

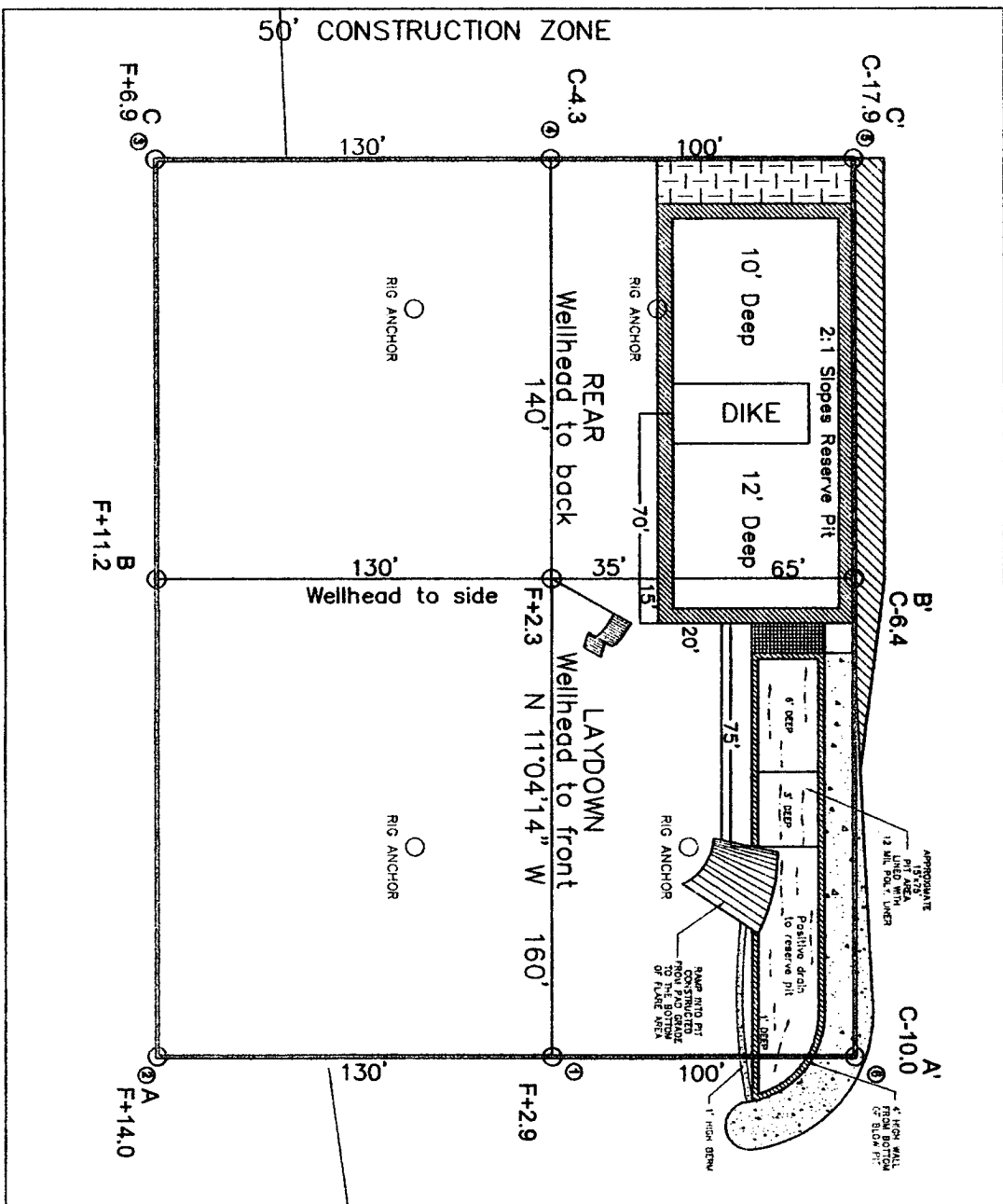
Type or print name Patsy Clugston E-mail address: pclugston@br-inc.com Telephone No. 505-326-9518  
**For State Use Only**

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #1 DATE SEP 18 2006  
 Conditions of Approval (if any):

LATITUDE: 36.78886°N  
 LONGITUDE: 107.97879°W  
 DATUM: NAD 83

# BURLINGTON RESOURCES O&G CO LP

FEDERAL A #1 N  
 670' FNL & 2450' FWL  
 LOCATED IN THE NE/4 NW/4 OF  
 SECTION 27, T30N, R11W, N.M.P.M.,  
 SAN JUAN COUNTY, NEW MEXICO  
 GROUND ELEVATION: 5916', NAVD 88  
 FINISHED PAD ELEVATION: 5918', NAVD 88.

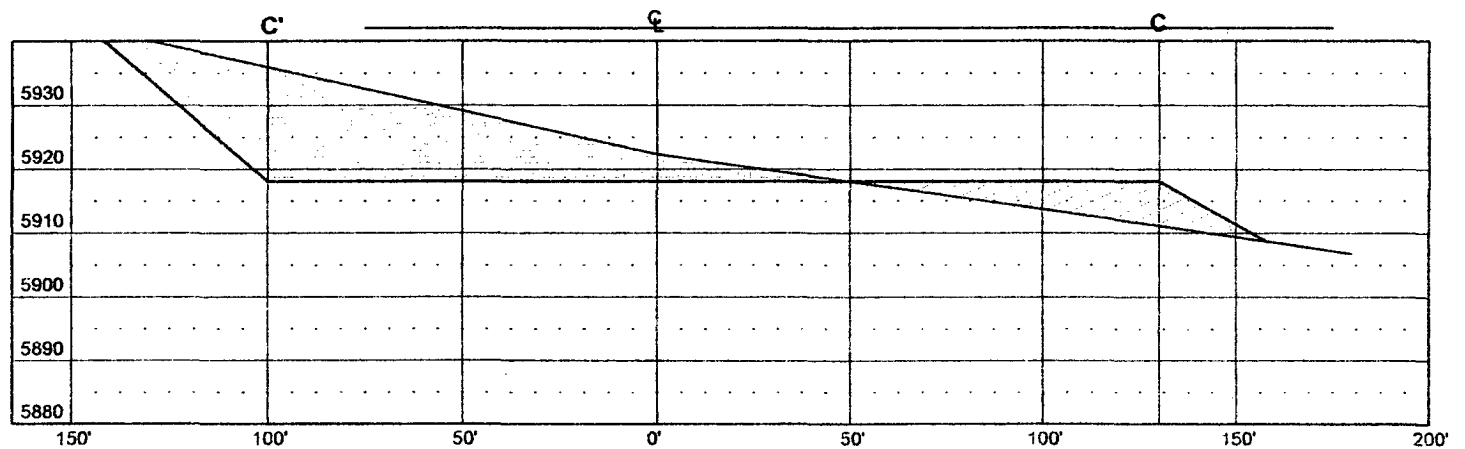
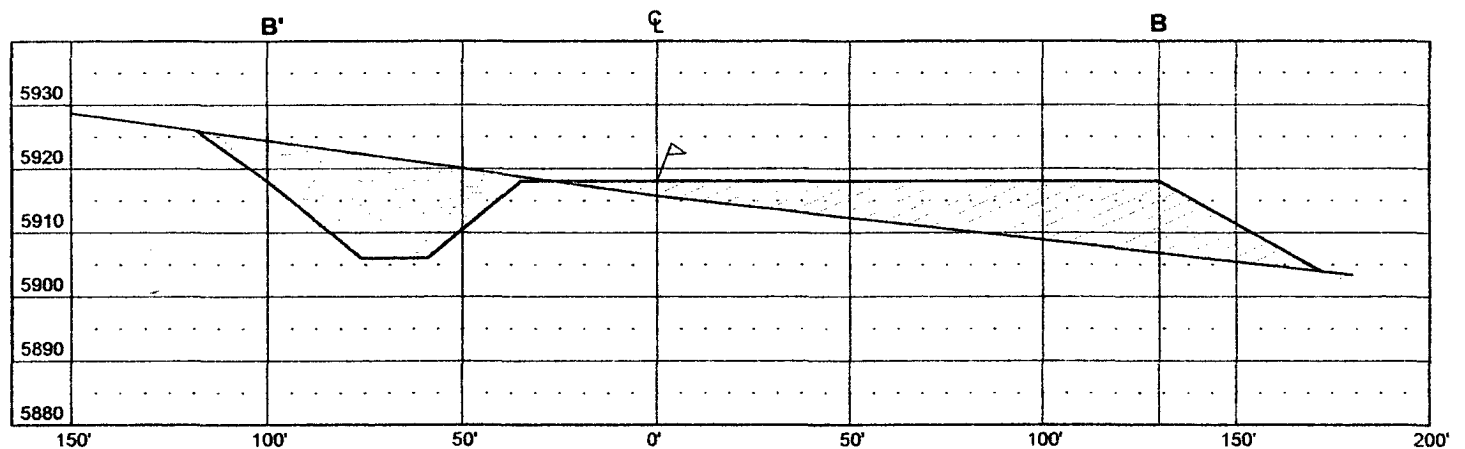
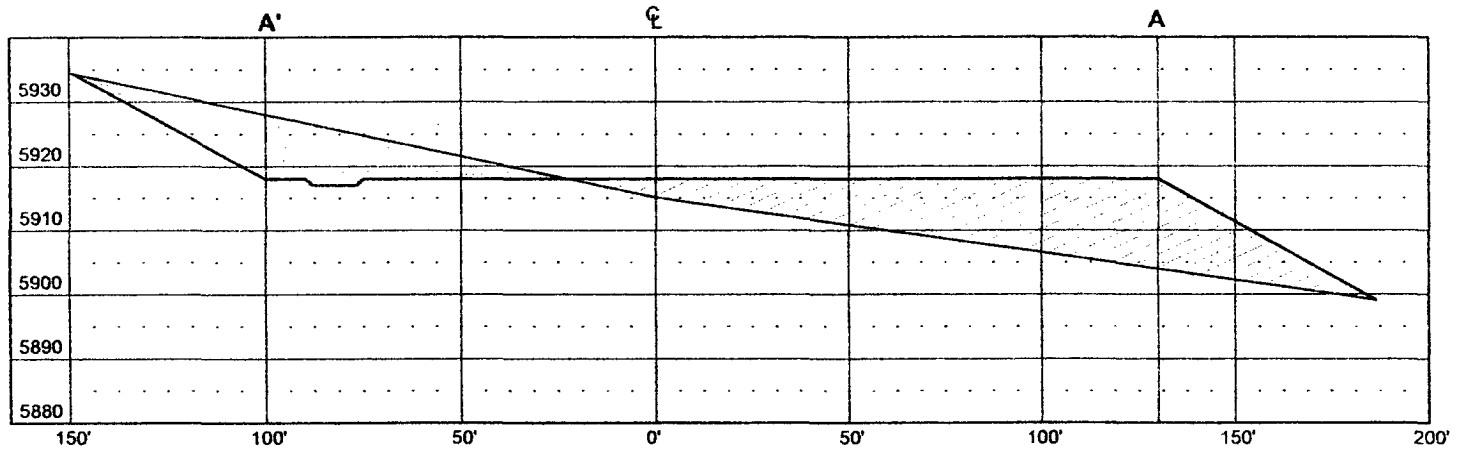


330' X 400' = 3.03 ACRES OF DISTURBANCE  
 SCALE: 1" = 60'  
 JOB No.: COPC  
 DATE: 07/19/06

NOTE:  
 RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).  
 RUSSELL SURVEYING, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.  
 CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATING ANY MARKED OR UNMARKED, BURIED PIPELINES OR  
 CABLES ON WELL PAD, IN CONSTRUCTION ZONE AND ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR  
 TO CONSTRUCTION.

Russell Surveying  
 1409 W. Aztec Blvd. #5  
 Aztec, N. Mexico 87410  
 (505) 33 37

FEDERAL A #1 N  
670' FNL & 2450' FWL  
LOCATED IN THE NE/4 NW/4 OF  
SECTION 27, T30N, R11W, N.M.P.M.,  
SAN JUAN COUNTY, NEW MEXICO  
GROUND ELEVATION: 5916', NAVD 88  
FINISHED PAD ELEVATION: 5918', NAVD 88



VERT. SCALE: 1" = 30'  
HORIZ. SCALE: 1" = 50'  
JOB No.: COPC006  
DATE: 07/19/06

**Russell Surveying**  
1409 W. Aztec Blvd. #5  
Aztec, New Mexico 87410  
(505) 334-8637

## OPERATIONS PLAN

Well Name: FEDERAL A 1N  
Location: 670' FNL & 2450' FWL, Section 27 T30N R11W  
San Juan County, New Mexico  
  
Formation: Blanco Mesaverde/Basin Dakota  
Elevation: 5916' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	958'	
Ojo Alamo	958'	1058'	aquifer
Kirtland	1058'	1955'	gas
Fruitland Coal	1955'	2301'	gas
Pictured Cliffs	2301'	2453'	gas
Lewis	2453'	3033'	
Huerfanito Bentonite	3033'		
Chacra	3301'	3963'	gas
Massive Cliff House	3963'	4011'	gas
Menefee	4011'	4603'	gas
Massive Point Lookout	4603'	4963'	gas
Mancos Shale	4963'	5838'	
Upper Gallup	5838'	6596'	gas
Greenhorn	6596'	6655'	gas
Graneros	6655'	6715'	gas
Two Wells	6715'	6776'	gas
Paguate	6776'	6825'	gas
Cubero	6825'	6885'	gas
Encinal	6885'	6885'	gas
Total Depth:	6885'		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'	Spud MUD/Air/Air Mist	8.4 - 9.0	40 - 50	no control
120' - 2553'	LSND	8.4 - 9.0	30 - 60	no control
2553' - 6885'	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'	9 5/8"	32.3#	H-40
8 3/4"	0' - 2553	7"	20/23#	J-55
6 1/4"	0' - 6885'	4 1/2"	10.5#/11.6#	J-55

**Tubing Program:**

<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
0' - 6885'	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, 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, 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 -**

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.

**Cementing:**

9 5/8" surface casing -

**Pre-Set Drilled** - Cement with 23 sx Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (38 cu ft of slurry, bring cement to surface) Wait on cement for 24 hours for pre-set holes before pressure testing or drilling out from under surface.

**Conventionally Drilled** - Cement with 88 sx Type III cement with 0.25 pps Celloflake, 2% CaCl. (113 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 212 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 (124 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/37 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: 175 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (576 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 @ 1058'. Two turbolating centralizers at the base of the Ojo Alamo @ 1058'. 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 298 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 (589 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):**

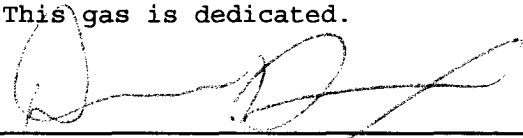
The following equipment will be operational while air/mist drilling:

- 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:**

- This will be a Mesaverde and Dakota producing well.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

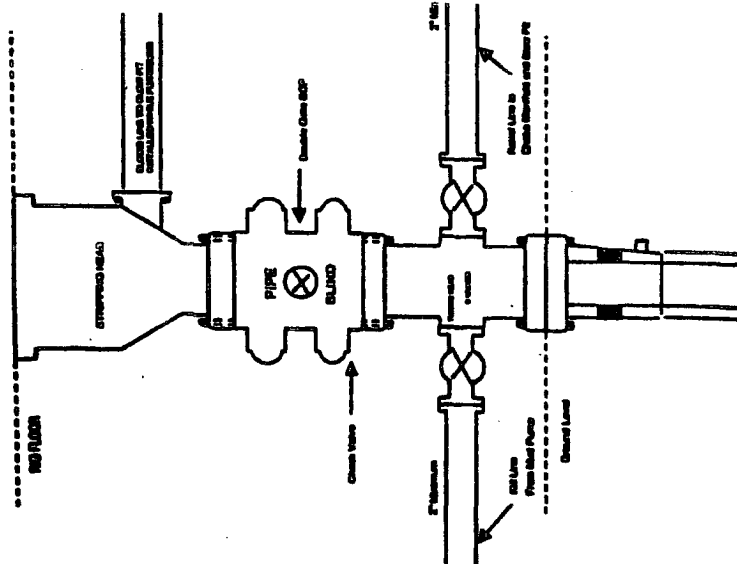
Fruitland Coal	300 psi
Pictured Cliffs	600 psi
Mesa Verde	700 psi
Dakota	2000 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The north half of Section 27 is dedicated to the Mesaverde and Dakota formations.
- This gas is dedicated.

  
Drilling Engineer

8/30/05  
Date

# BURLINGTON RESOURCES

Completion/Workover Rig  
BOP Configuration  
2,000 psi System



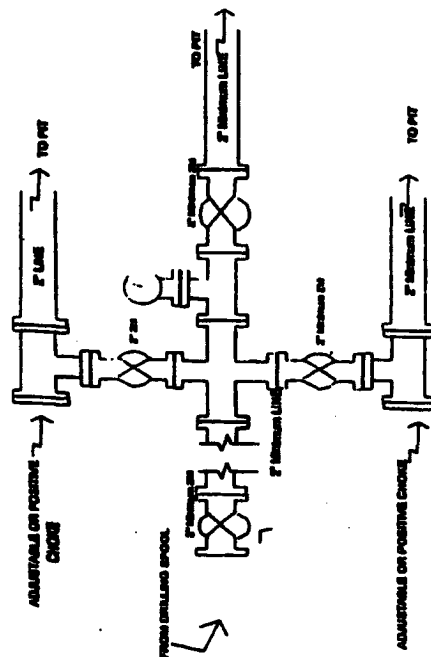
Minimum BOP installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 600 psi stripping head.

Figure #2

4-20-01

# BURLINGTON RESOURCES

Drilling Rig  
Choke Manifold Configuration  
2000 psi System



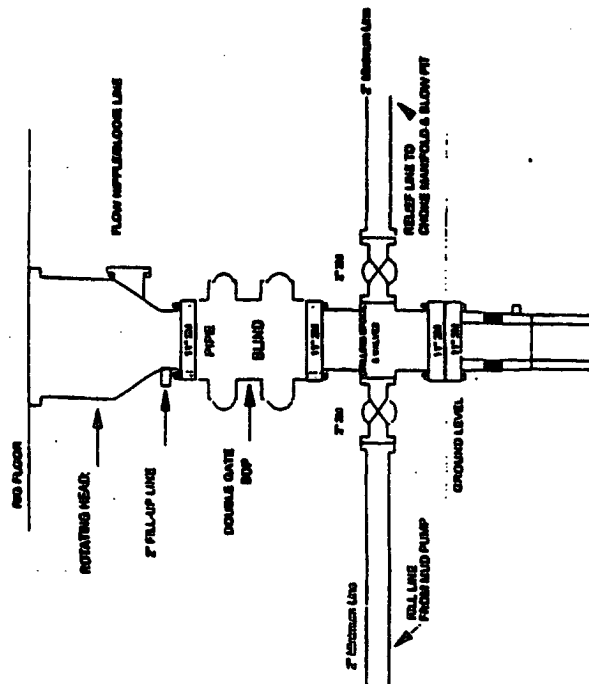
Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

4-20-01

# Burlington Resources

Drilling Rig  
2000 psi System



BOP installation from Surface Casing Point to Total Depth. 11" Bore 110' Nominal, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 600 psi rotating head on top of ram prevention. All BOP equipment is 2,000 psi working pressure.

Figure #1

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## Sundry Notices and Reports on Wells

2006 SEP 65 AM 11:00  
Lease Number  
NMNM-02491

RECEIVED  
If Indian, All. or  
Tribe Name

OTO FARMINGTON NM

1. Type of Well  
GAS

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

7. Unit Agreement Name

3. Address & Phone No. of Operator

PO Box 4289, Farmington, NM 87499 (505) 326-9700

8. Well Name & Number

Federal A #1N  
9. API Well No.

4. Location of Well, Footage, Sec., T, R, M

Unit C (NENW), 670' FNL & 2450' FWL, Sec. 27, T30N, R11W, NMPM

30-045- 33923

10. Field and Pool

11. Basin DK & Blanco MV  
County and State  
San Juan Co., NM

## 12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

## Type of Submission

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment

## Type of Action

☐ Abandonment

☐ Recompletion

☐ Plugging

☐ Casing Repair

☐ Altering Casing

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut off

☐ Conversion to Injection

☒ Other - Moved location sundry

## 13. Describe Proposed or Completed Operations

The subject well needed to be moved because of environmental reasons and the footages noted above are the new footages. The correct plat is attached. The old footages were 700' FNL & 1120' FWL. Please make note of the correct footages for this well.

## 14. I hereby certify that the foregoing is true and correct.

Signed Patsy Clugston Title Sr. Regulatory Specialist Date 9/5/06

(This space for Federal or State Office use)

APPROVED BY [Signature] Title AF-4 Date 9/14/06

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

NMOC