

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

Form C-103
March 4, 2004

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

WELL API NO. 30-039-30314
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. RCVD JAN 25 '08
7. Lease Name or Unit Agreement Name OIL CONS. DIV. San Juan 29-7 Unit
8. Well Number DIST. 3 #58N
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

3. Address of Operator
P.O. Box 4289, Farmington, NM 87499-4289

4. Well Location
Unit Letter **F** : **2485** feet from the **North** line and **2075** feet from the **West** line

Section **26** Township **29N** Range **7W** NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6334'

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 COMPLETION ☐

OTHER: ☒ Deviation Explanation

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND 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.

Since this well deviated into Unit Letter K, the San Juan 29-7 Unit 58 (API 30-039-07556, Sec. 26-29N-07W, M 840 FSL & 890 FWL) will be shut in.

We used a 'reaming while drilling' assembly to drill the intermediate hole on this well from 234'-1016'. The RWD assembly was supposed to open the 8-3/4" wellbore up to 9-7/8". We wanted to open the intermediate hole up on this well because we had trouble getting 7" casing to intermediate TD in offset wells in that area due to swelling formations. This particular RWD assembly caused the bit to walk, and the hole became deviated. We ran a Teledrift survey at 829' and surveyed 1 deg, however, this was a faulty reading from the Teledrift. We drilled to 1016' and took another Teledrift survey and got six degrees of inclination. We then shot a Totco at 1016' and got a deviation of between 9 and 10 deg. At that point they pulled the drill string up to 835' and shot another Totco, resulting in a survey of 6 deg. It was then confirmed that the hole had deviated significantly and we decided to pull the RWD assembly and run in with a tri-cone bit to get the hole to drop back to vertical. Had the Teledrift read 5 degrees or greater at 829' we probably would have pulled the RWD assembly at that point rather than drilling ahead. Therefore, the two contributing factors for the deviation on this well were the faulty readings from the Teledrift at 829' and the use of the RWD assembly.

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 Tamra Sessions TITLE Regulatory Technician DATE 1/11/2008

Type or print name Tamra Sessions Telephone No. 505-326-9834 (This space for State use)

APPROVED BY H. Villanueva TITLE Deputy Oil & Gas Inspector DATE JAN 25 2008
Conditions of approval, if any: District #3