Form 3160-3
(August 2007)

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5 Lease Serial No
I-22-IND-2772

6. If Indian, Allotee or Tribe Name
Ute Mountain Ute

1a. Type of work: ☑ DRILL ☐ REENTER

7 If Unit or CA Agreement, Name and No.

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Ute Mountain Ute #89

2 Name of Operator
Burlington Resources Oil and Gas Co., LP

9 API Well No.
30-045-35045

3a. Address c/o Huntington Energy, L.L.C.
908 N.W. 71st St., Oklahoma City, OK 73116

3b Phone No. *(include area code)*
(405) 840-9876

10 Field and Pool, or Exploratory
Barker Creek-Dakota Pool

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface Lot M, 660' FSL & 700' FWL
At proposed prod. zone same as above

11. Sec., T R. M. or Blk and Survey or Area
Sec 21-T32N-R14W

14 Distance in miles and direction from nearest town or post office*
5 miles to La Plata

12 County or Parish
San Juan

13. State
NM

15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any)	16 No. of acres in lease	17. Spacing Unit dedicated to this well
660'	160	160

RCVD DEC 3'09

18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft	19 Proposed Depth	20 BLM/BIA Bond No. on file
	2720'	

OIL CONS. DIV.
DIST. 3

21 Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
6166'		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office)
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM

25 Signature	Name *(Printed/Typed)*	Date
Catherine Smith	Catherine Smith	10/20/2008

Title
Huntington Energy, L.L.C., agent for Burlington Resources Oil and Gas Company, LP

APPROVED FOR A PERIOD NOT TO EXCEED 2 YEARS

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/S/ Richard A. Rymerson		NOV 30 2009

Title	Office
MINERALS STAFF CHIEF	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto...

DEC 08 2009

Venting / Flaring approved for 30 days per NTL-4A

NOTIFY AZTEC OCD 24 HRS PRIOR TO CASING & CEMENT

SEE ATTACHED CONDITIONS OF APPROVAL

RECEIVED
NOV 10 2008
Bureau of Land Management
Durango, Colorado

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
1301 W. Grand Avenue, 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

RECEIVED
NOV 24 2008
Bureau of Land Management
Durango Colorado

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

Form C-102
Revised October 12, 2005
Instructions on back
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
30-045-35045	71520	Barker Creek - Dakota

[4] Property Code	[5] Property Name	[6] Well Number
18725	UTE MOUNTAIN UTE	89

[7] OGRID No.	[8] Operator Name	[9] Elevation
14538	BURLINGTON RESOURCES OIL & GAS COMPANY LP.	6166

[10] Surface Location

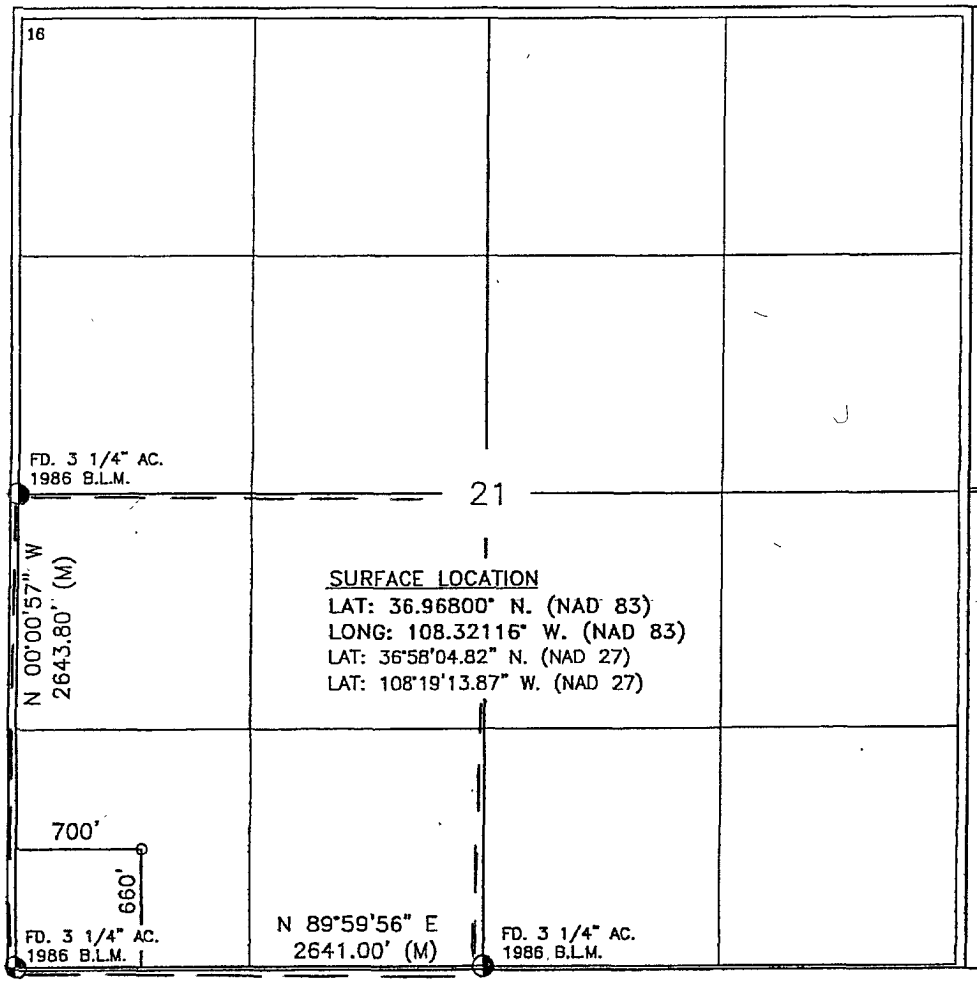
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	32-N	14-W		660	SOUTH	700	WEST	SAN JUAN

[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

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
SW/160			

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, 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.

Catherine Smith 11/20/08
Signature Date

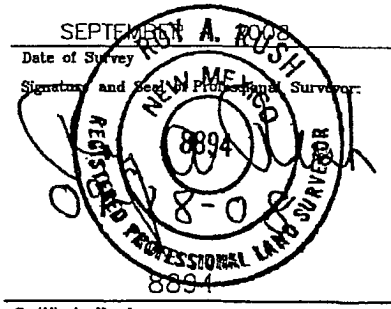
Catherine Smith
Printed Name

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 knowledge and belief.

SEPTEMBER 4, 2008
Date of Survey

Signature and Seal of Professional Surveyor:



8894
Certificate Number

OPERATIONS PLAN

Well Name: Ute Mountain Ute #89
Location: 660' FSL, 700' FWL, SWSW Sec 21, T-32-N, R-14-W NMPM
San Juan Co., New Mexico
Formation: Basin Dakota
Elevation: 6166' GR 6181' KB

Formation Tops:	Top	Bottom	RMSL	Contents
Menefee	Surf	77'		
Point Lookout	77'	367'	6090'	
Mancos	367'	1427'	5800'	
Gallup (Niobrara)	1427'	2142'	4740'	oil or water
Greenhorn	2142'	2197'	4025'	
Graneros	2197'	2262'	3970'	
Dakota	2262'	2482'	3905'	gas or water
Burro Canyon	2482'	2512'	3685'	gas
Morrison	2512'	2720'	3655'	gas
TD	2720'			

Logging Program:
Mud log – 300' to TD
Open hole logs – AIT/GR/SP/CNL/LDT Surface Casing to TD
Cased hole logs– CBL/GR – TD to surface
Cores & DST's – none

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0 – 300'	Spud	8.4-9.0	40-50	no control
300' - 2720'	Clean Faze	8.4-9.0	32-40	≤10 cc

Pit levels will be visually monitored to detect gain or loss of fluid control.

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

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
12 ¼"	0 – 300'	8 ⅝"	23#	LS-J55
6 ¼"	0 – 2720'	4 ½"	10.5#	J-55

Tubing Program:

	0 – 2720'	2 3/8"	4.7#	J-55

BOP Specifications, Wellhead and Tests:
Surface to TD –
11" 3000 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.

2" nominal, 3000 psi minimum choke manifold (Reference Figure #2).

Completion Operations:
7 1/16" 3000 psi double gate BOP stack (Reference Figure #1). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Float Equipment:
8 ⅝" surface casing – saw tooth guide shoe.
Centralizers will be run in accordance with Onshore Order #2.

4 ½" production casing – guide shoe and self-fill float collar. Standard centralizers run every other joint above shoe. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead:

8 5/8" x 4 ½" x 2 3/8" x 5000 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 drilling crew.
- All BOP tests and drills will be recorded in the daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

8 5/8" surface casing –

Cement to surface w/230 sx Premium cement 2% Calcium Chloride and ¼# Flocele (274 cu. ft. of slurry). WOC 8 hours before pressure testing or drilling out from under surface casing.

4 ½" production Casing -

Lead with 185 sx San Juan PRB-2, 5# Gil/sk + .25#/sk Superflake (415 cu ft of slurry – est top of cement: surface).Tail w/100 sx San Juan PRB-2, 5# Gil/sk + .25#/sk Superflake (200 cu ft of slurry – est top of tail cement: 2200').

Note: 50% excess cement will be used unless open hole logs are run, then 25% excess cement over caliper will be pumped. Cement will be circulated to surface.

Float guide shoe/float collar ran on bottom jt. Bowspring centralizers will be run in accordance with Onshore Order #2.

- If hole conditions permit, an adequate water space will be pumped ahead of each cement job to prevent cement/mud contamination or cement hydration.

Additional Information:

- The Dakota formation will be completed. If non-commercial, the Mancos will be secondary objectives.
- No abnormal temperatures or hazards are anticipated. H2S is not anticipated.
- Anticipated pore pressure for the Dakota is 750 psi. Maximum bottom hole pressure at TD is 800 psi.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The southwest quarter of Section 21 is dedicated to this well. This gas is dedicated.

HALLIBURTON

Cement Test Report

Farmington District Laboratory
4109 E. Main
Farmington, NM 87499

To: Randy Snyder
Halliburton Energy Services

Company: Slurry Book

Total Vertical Depth: 330 ft
BHST: 80 °F
BHCT: 80 °F

Report: FLMM65810A
Date:

Slurry: 15.6 Surface mixed with fresh Water

All Test performed according to modified API RP Spec 10, 1997

Thickening Time to 70 Bc:
2hr 09min

Design
Mountain G Cement
3% $CaCl_2$
¼ #/sk Flocele

Production Cement

Density:	15.6	lb/gal
Yield:	1.2	ft^3/sk
Water	5.27	gal/sk

Compressive Str @ 80F

Hr:Min	psi
2:10	50
3:41	500
6:25	1500
12:00	2415

Deidra Benally

Lab Technician

HALLIBURTON

Cement Test Report

Farmington District Laboratory
4109 E. Main
Farmington, NM 87499

Halliburton Energy Services

Report: FLMM5000

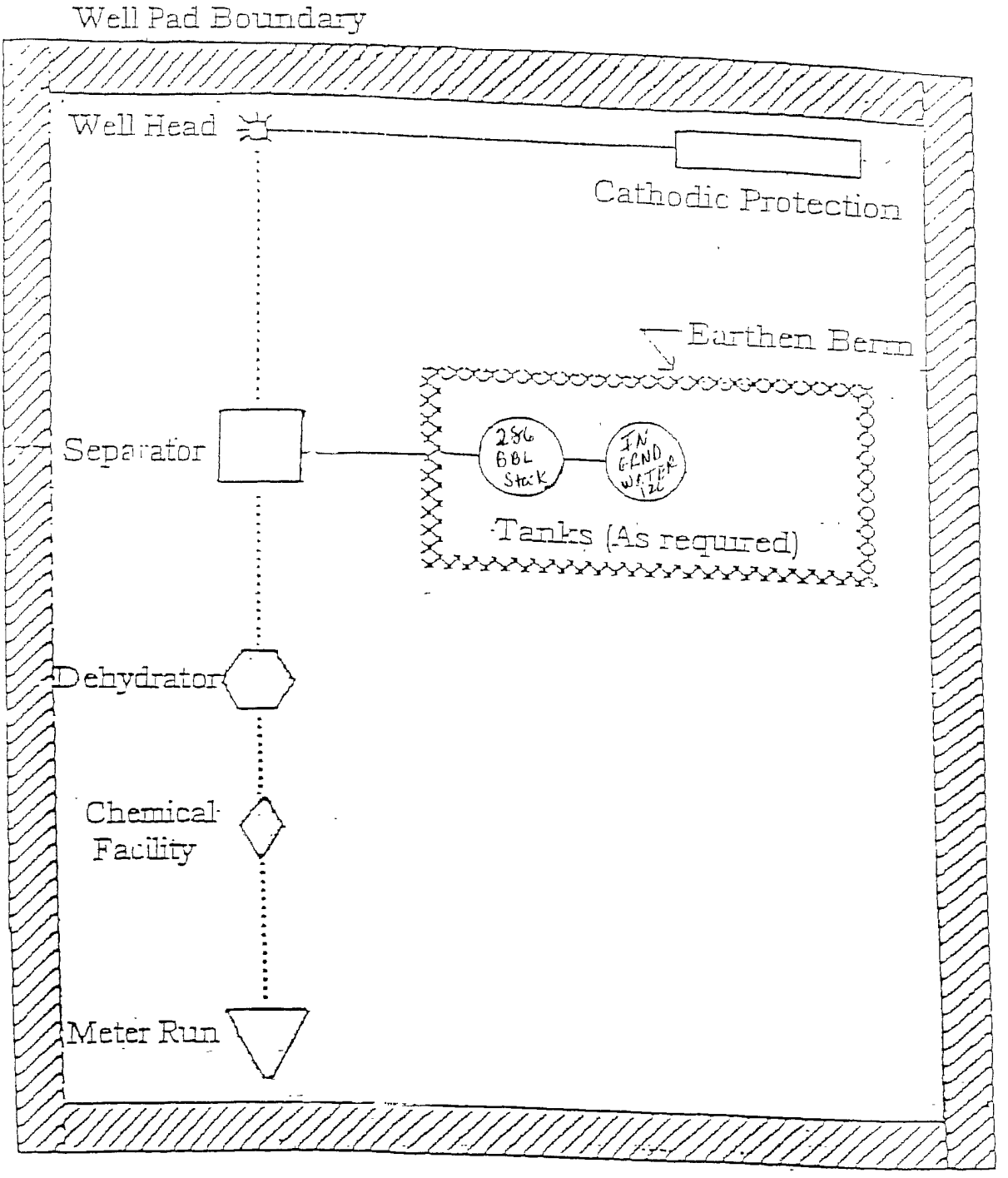
Total Vertical Depth: 3000 ft
BHST: 115 °F
BHCT: 80 °F

Slurry: San Juan PRB II, 2/10 % D-Air 3000, 5#/sk Gilsonite, 1/8 #/sk Poly-E-Flake

All Test performed according to modified API RP Spec 10,1997

Density	Yield	Water	Thickening Time	Free Water	Settling	Rheology at 100°F		Compressive Strength	
lb/gal	ft^3/sk	gal/sk	to 70 Bc					psi	Time
12.5	2.24	12.10	2 hr: 53 min	0%	0%	300	67	500	3 hr 46 min
						200	60	1085	12 hr
						100	51	1268	24 hr
						60	47		36 hr
						PV	26		48 hr
						YP	45		

Density	Yield	Water	Thickening Time	Free Water	Settling	Rheology at 100 °F		Compressive Strength	
lb/gal	ft^3/sk	gal/sk	to 70 Bc:					psi	Time
13.0	2.00	10.29	2 hr: 02 min	0%	0%	300	99	500	3 hr
						200	92	1477	12 hr
						100	84	1722	24 hr
						60	81	1837	36 hr
						PV	28		48 hr
						YP	77		



PLAT #1

ANTICIPATED PRODUCTION FACILITIES FOR A DAKOTA WELL

HUNTINGTON ENERGY, L.L.C.

BOP STACK 3000 PSI

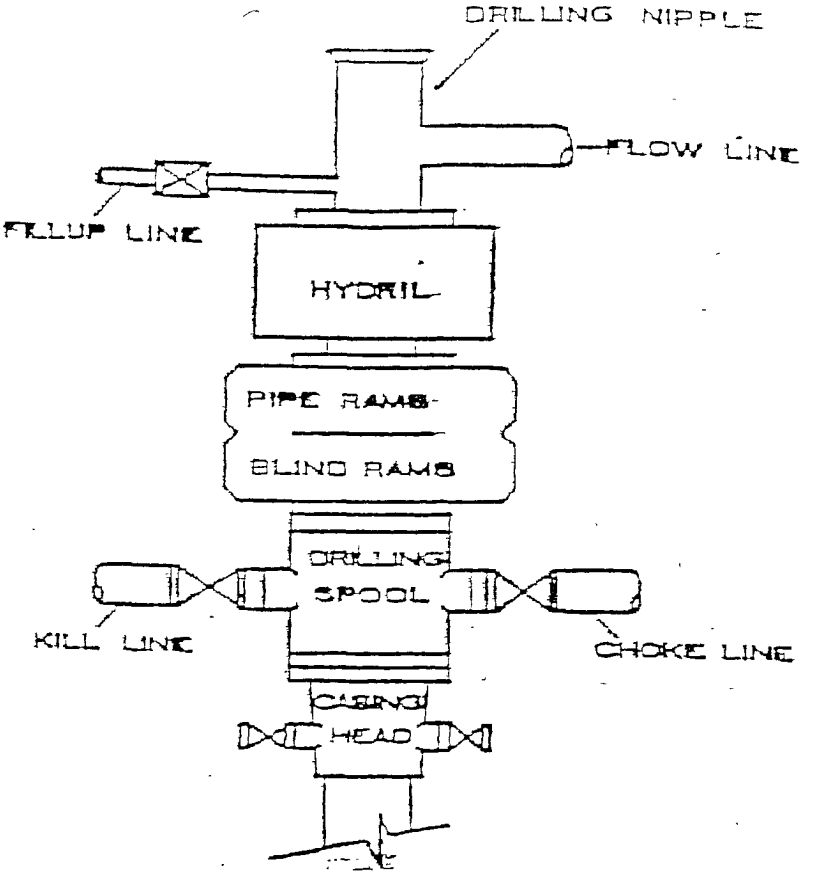


Figure #1

CHOKE MANIFOLD

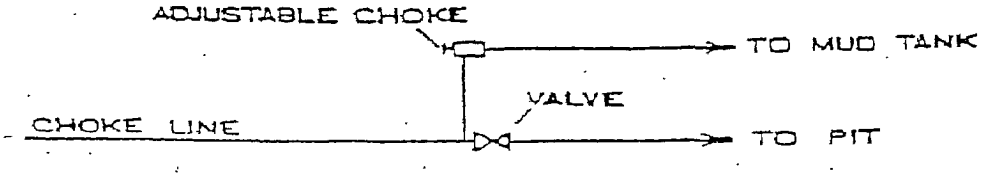


Figure #2