

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of work. <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No I-22-IND-2772
1b. Type of Well. <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Ute Mountain Ute
2. Name of Operator Burlington Resources Oil and Gas Co., LP		7. If Unit or CA Agreement, Name and No
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	8. Lease Name and Well No. Ute Mountain Ute #94
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface Lot L, 1975' FSL & 665' FWL At proposed prod. zone same as above		9. API Well No. 30-045-35047
14. Distance in miles and direction from nearest town or post office* 5 miles to La Plata		10. Field and Pool, or Exploratory Barker Creek-Dakota Pool
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 665'	16. No. of acres in lease 160	11. Sec., T. R. M or Blk. and Survey or Area Sec 28-T32N-R14W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft	19. Proposed Depth 2760'	12. County or Parish San Juan
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6107'	22. Approximate date work will start*	13. State NM
23. Estimated duration		

24. Attachments

RCVD DEC 3 '09

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

OIL CONS. DIV.

- |   |   |
|---|---|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.   | 5. Operator certification   |
| 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) | 6. Such other site specific information and/or plans as may be required by the BLM.             |

DIST. 3

25. Signature <i>Catherine Smith</i>	Name (Printed/Typed) Catherine Smith	Date 10/28/2008
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) /s/ Richard A. Rymerson	Name (Printed/Typed)	Date NOV 30 2009
Title MINERALS STAFF CHIEF	Office	

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)

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...

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

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

NOTIFY AZTEC\* (Instructions on page 2)  
PRIOR TO CASING & CEMENT  
NMCD  
RECEIVED

NOV 10 2008

Bureau of Land Management  
Bureau, Colorado

SEE ATTACHED  
CONDITIONS OF APPROVAL

DEC 08 2009

DISTRICT I  
P.O. Box 1980 Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102

Revised October 12, 2005

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

OIL CONSERVATION DIVISION

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-35047		<sup>2</sup> Pool Code 71520	<sup>3</sup> Pool Name Barker Creek - Dakota
<sup>4</sup> Property Code 18725	<sup>5</sup> Property Name UTE MOUNTAIN UTE		<sup>6</sup> Well Number 94
<sup>7</sup> GRID No 14538	<sup>8</sup> Operator Name Burlington Resources Oil and Gas Company, LP		<sup>9</sup> Elevation 6107'

<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
L	28	32-N	14-W		1975	SOUTH	665	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
<sup>12</sup> Dedicated Acres W - 160			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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

<p>16</p> <p>FD 3 1/4" AC 1986 B.L.M.</p> <p>610' C.O.P. 665'</p> <p>N 00°00'05" W 2639.20' (M)</p> <p>2025' 1975'</p> <p>FD 3 1/4" AC. 1987 B.L.M.</p> <p>N 89°46'11" E 2633.80' (M)</p> <p>FD 3 1/4" AC. 1986 B.L.M.</p> <p>28</p> <p>CENTER OF PIT LAT: 36.95726° N. (NAD 83) LONG: 108.32145° W. (NAD 83) LAT: 36°57'26.14" N. (NAD 27) LAT: 108°19'14.93" W. (NAD 27)</p> <p>SURFACE LOCATION LAT: 36.95713° N. (NAD 83) LONG: 108.32127° W. (NAD 83) LAT: 36°57'25.67" N. (NAD 27) LAT: 108°19'14.29" W. (NAD 27)</p>	<p>17 OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Catherine Smith</i> 8/18/08 Signature Date Catherine Smith Printed Name</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>APRIL 30 2008 Date of Survey ROY A. RUSH Signature and Seal of Professional Surveyor 8894 15-08 REGISTERED PROFESSIONAL LAND SURVEYOR 8894 Certificate Number</p>
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## OPERATIONS PLAN

**Well Name:** Ute Mountain Ute #94  
**Location:** 1975' FSL, 665' FWL, NWSW Sec 28, T-32-N, R-14-W NMPM  
San Juan Co., New Mexico  
**Formation:** Basin Dakota  
**Elevation:** 6107' GR 6122' KB

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>RMSL</u>	<u>Contents</u>
Menefee	Surface	107'		
Point Lookout	107'	347'	6020'	
Mancos	347'	1467'	5780'	gas or water
Gallup (Niobrara)	1467'	2187'	4660'	oil or water
Greenhorn	2187'	2237'	3940'	
Graneros	2237'	2317'	3890'	gas or water
Dakota	2317'	2517'	3810'	gas
Burro Canyon	2517'	2557'	3610'	
Morrison	2557'	2760'	3570'	
TD	2760'			

### **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:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0 – 300'	Spud	8.4-9.0	40-50	no control
300' - 2760'	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):**

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 ¼"	0 – 300'	8 ⅝"	23#	LS-J55
6 ¼"	0 – 2760'	4 ½"	10.5#	J-55

### **Tubing Program:**

0 – 2760'	2 3/8"	4.7#	J-55
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### **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 1/2" 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 1/4# Flocele (274 cu. ft. of slurry). WOC 8 hours before pressure testing or drilling out from under surface casing.

4 1/2" 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 28 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

Report: FLMM65810A  
Date:

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

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<sub>2</sub>  
1/4 #/sk Flocele

### Production Cement

Density:	15.6	lb/gal
Yield:	1.2	ft <sup>3</sup> /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

**Note:** This report is for information and the content is limited to the sample described. Halliburton Energy Services makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, including any act or omission of Halliburton, resulting from the use hereof.

# 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

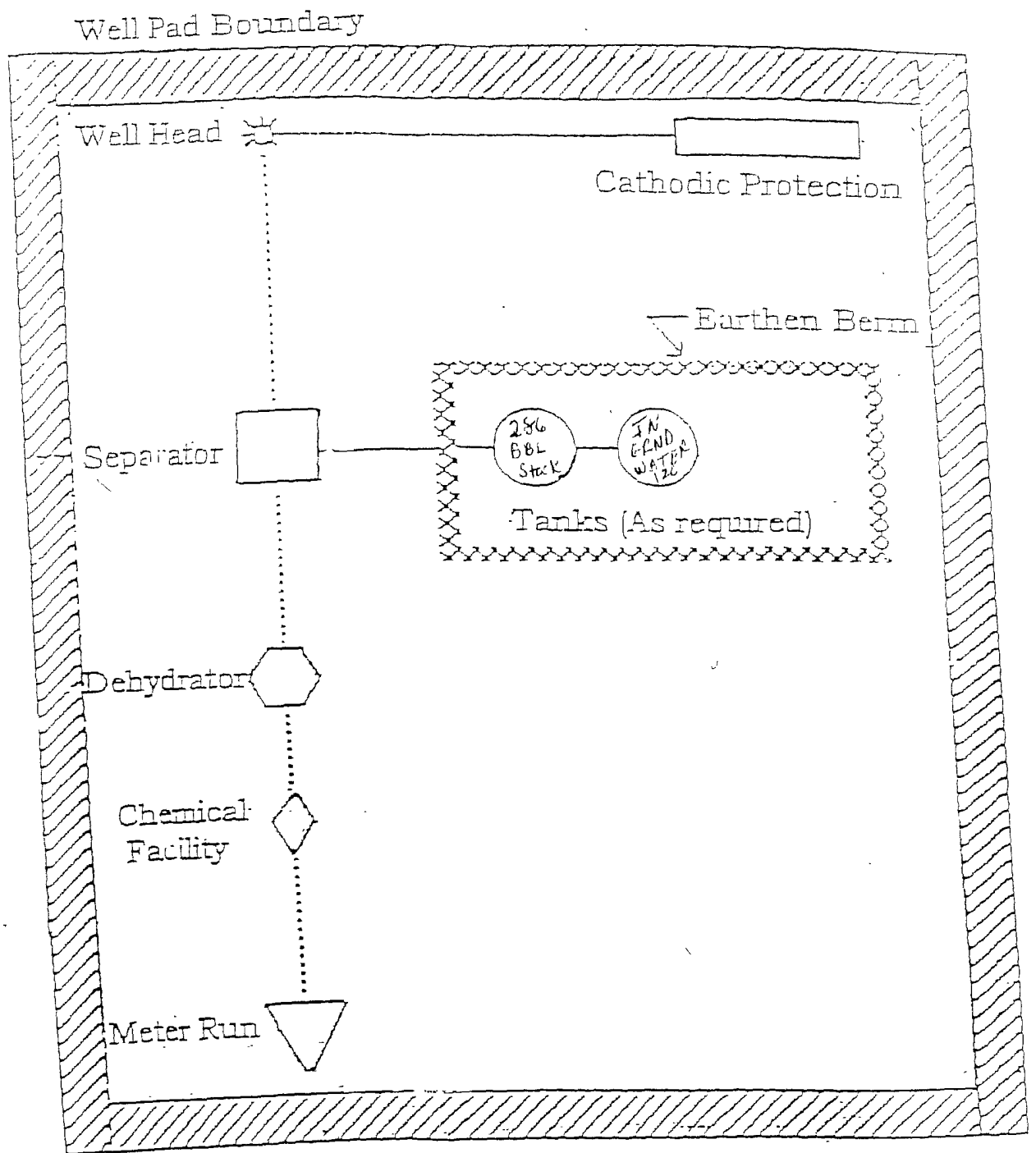
Slurry: San Juan PRB II, 2/10 % D-Air 3000, 5#/sk Gilsonite, 1/8 #/sk Poly-E-Flake

**All Test performed according to modified API RP Spec 10.1997**

<u>Density</u>	<u>Yield</u>	<u>Water</u>	<u>Thickening Time</u>	<u>Free Water</u>	<u>Settling</u>	<u>Rheology</u>	<u>Compressive Strength</u>
lb/gal	ft <sup>3</sup> /sk	gal/sk	to 70 Bc			at 100°F	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	

<u>Density</u>	<u>Yield</u>	<u>Water</u>	<u>Thickening Time</u>	<u>Free Water</u>	<u>Settling</u>	<u>Rheology</u>	<u>Compressive Strength</u>
lb/gal	ft <sup>3</sup> /sk	gal/sk	to 70 Bc:			at 100 °F	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	

**Note:** This report is for information and the content is limited to the sample described. Halliburton Energy Services makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, including any act or omission of Halliburton, resulting from the use hereof.



PLAT #1

ANTICIPATED  
PRODUCTION FACILITIES  
FOR A  
DAKOTA WELL

# HUNTINGTON ENERGY, L.L.C.

## BOP STACK 3000 PSI

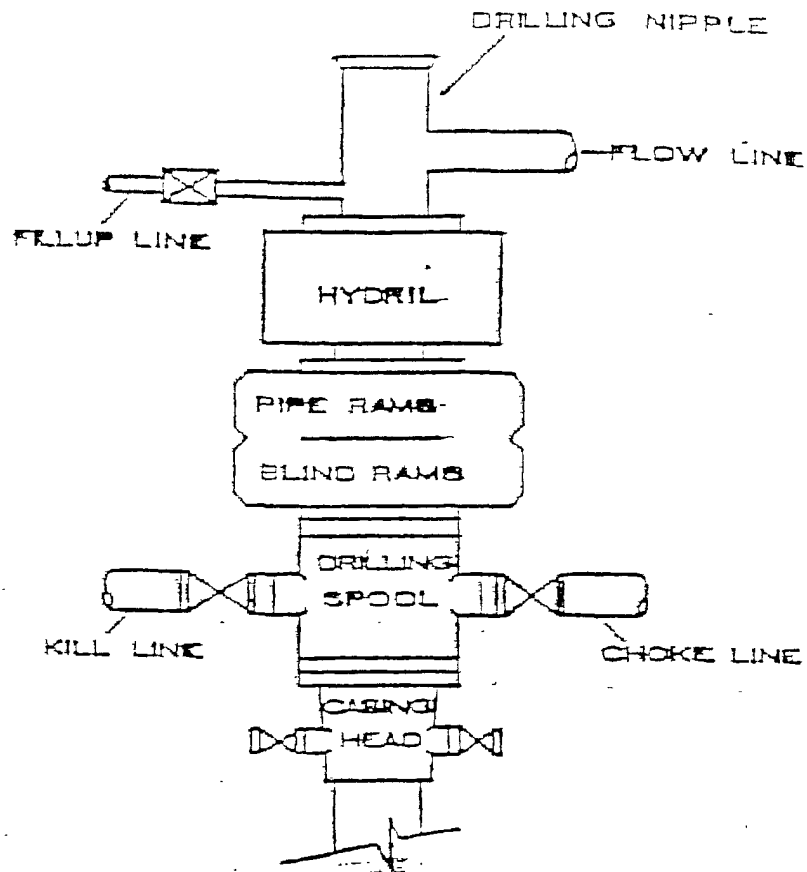


Figure #1

## CHOKE MANIFOLD

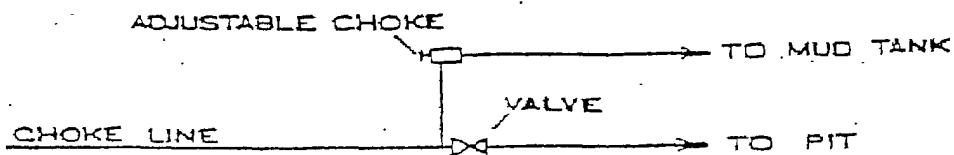


Figure #2