

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

5 Lease Serial No.
I-22-IND-2772

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

7 If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
Ute Mountain Ute #101

9 API Well No.
30.045.35054

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

11 Sec., T. R. M. or Blk. and Survey or Area
Sec 17-T32N-R14W

12 County or Parish
San Juan

13 State
NM

1a Type of work: ☒ DRILL ☐ REENTER
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

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

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

4. Location of Well (Report location clearly and in accordance with any State requirements *)
At surface Lot G, 1840' FNL & 1865' FEL
At proposed prod. zone same as above

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

15 Distance from proposed* 1840'
location to nearest
property or lease line, ft
(Also to nearest drig. unit line, if any)

16 No. of acres in lease
160

17 Spacing Unit dedicated to this well
160

18 Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft

19. Proposed Depth
3000'

20 BLM/BIA Bond No. on file
BOK04SDF02064

21 Elevations (Show whether DF, KDB, RT, GL, etc.)
6222'

22 Approximate date work will start*

23. Estimated duration

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 *Catherine Smith* 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 DEC 02 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)

*(Instructions on page 2)

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

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENTING

RECEIVED

NOV 10 2008

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

SEE ATTACHED
CONDITIONS OF APPROVAL

Bureau of Land Management
Durango, Colorado

DISTRICT II

1301 W Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

OIL CONSERVATION DIVISION

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

Revised October 12, 200

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 30-045-35054	² Pool Code 71520	³ Pool Name Barker Creek - Dakota
⁴ Property Code 18725	⁵ Property Name UTE MOUNTAIN UTE	⁶ Well Number 101
⁷ GRID No. 14538	⁸ Operator Name Burlington Resources Oil and Gas Company, LP	⁹ Elevation 6222'

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
G	17	32-N	14-W		1840	NORTH	1865	EAST	SAN JUAN

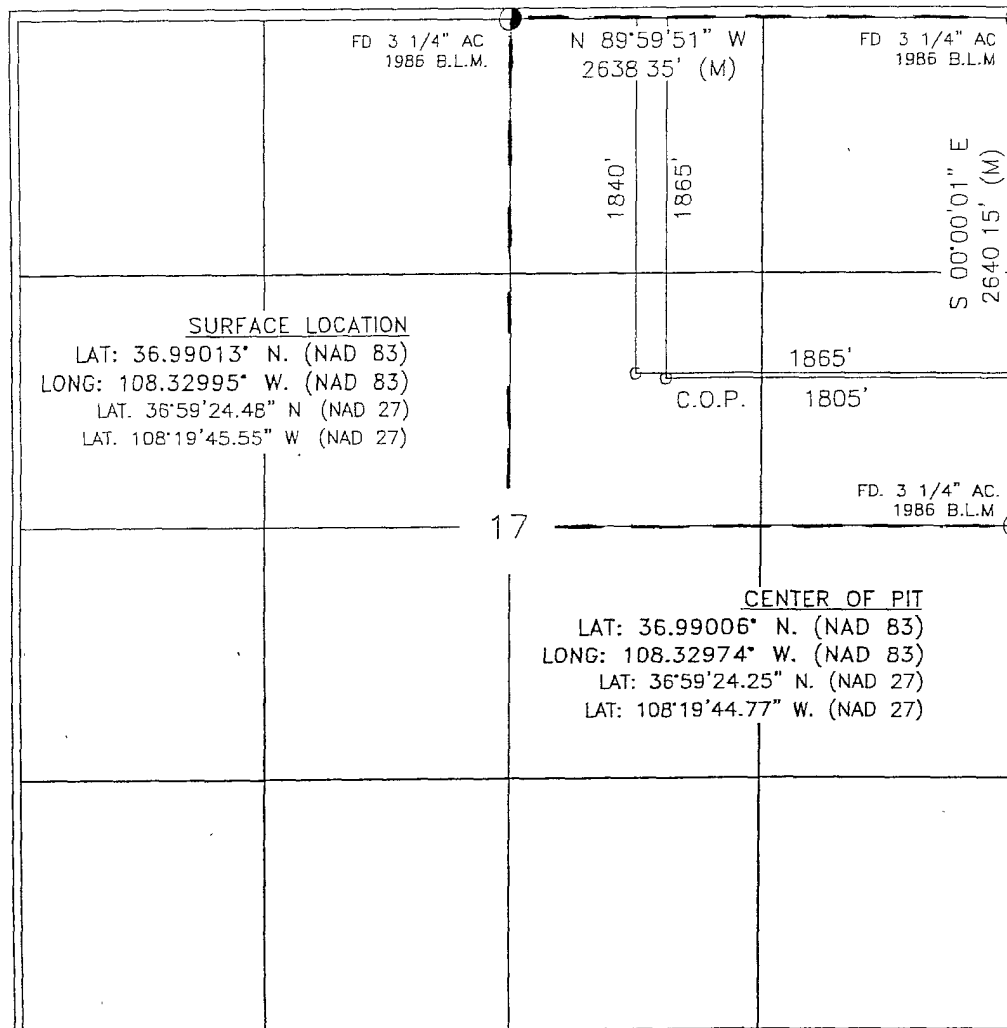
¹¹ Bottom Hole Location If Different From Surface

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 NE - 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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, and that this organization either owns a work 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
Signature
Date 8/18/08
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.

MAY 21 2008
Date of Survey
Signature and Seal of Professional Surveyor:
8894
Certificate Number

OPERATIONS PLAN

Well Name: Ute Mountain Ute #101
Location: 1840' FNL, 1865' FEL, SWNE Sec 17, T-32-N, R-14-W NMPM
San Juan Co., New Mexico
Formation: Basin Dakota
Elevation: 6222' GR 6237' KB

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>RMSL</u>	<u>Contents</u>
Menefee	Surface	298'		
Point Lookout	298'	678'	6040'	
Mancos	678'	1658'	5660'	gas or water
Gallup (Niobrara)	1658'	2388'	4680'	oil or water
Greenhorn	2388'	2448'	3950'	
Graneros	2448'	2518'	3890'	gas or water
Dakota	2518'	2738'	3820'	gas
Burro Canyon	2738'	2748'	3600'	
Morrison	2748'	2868'	3590'	
Morrison Pay Sand	2868'	3000'	3470'	
TD	3000'			

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' - 3000'	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 1/4"	0 – 300'	8 5/8"	23#	LS-J55
6 1/4"	0 – 3000'	4 1/2"	10.5#	J-55

Tubing Program:

0 – 3000'	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 5/8" surface casing – saw tooth guide shoe.
Centralizers will be run in accordance with Onshore Order #2.

4 1/2" 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. No H2S is 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 northeast quarter of Section 17 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

Report: FLMM65810A
Date:

Company: Slurry Book

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% CaCl₂
1/4 #/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

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

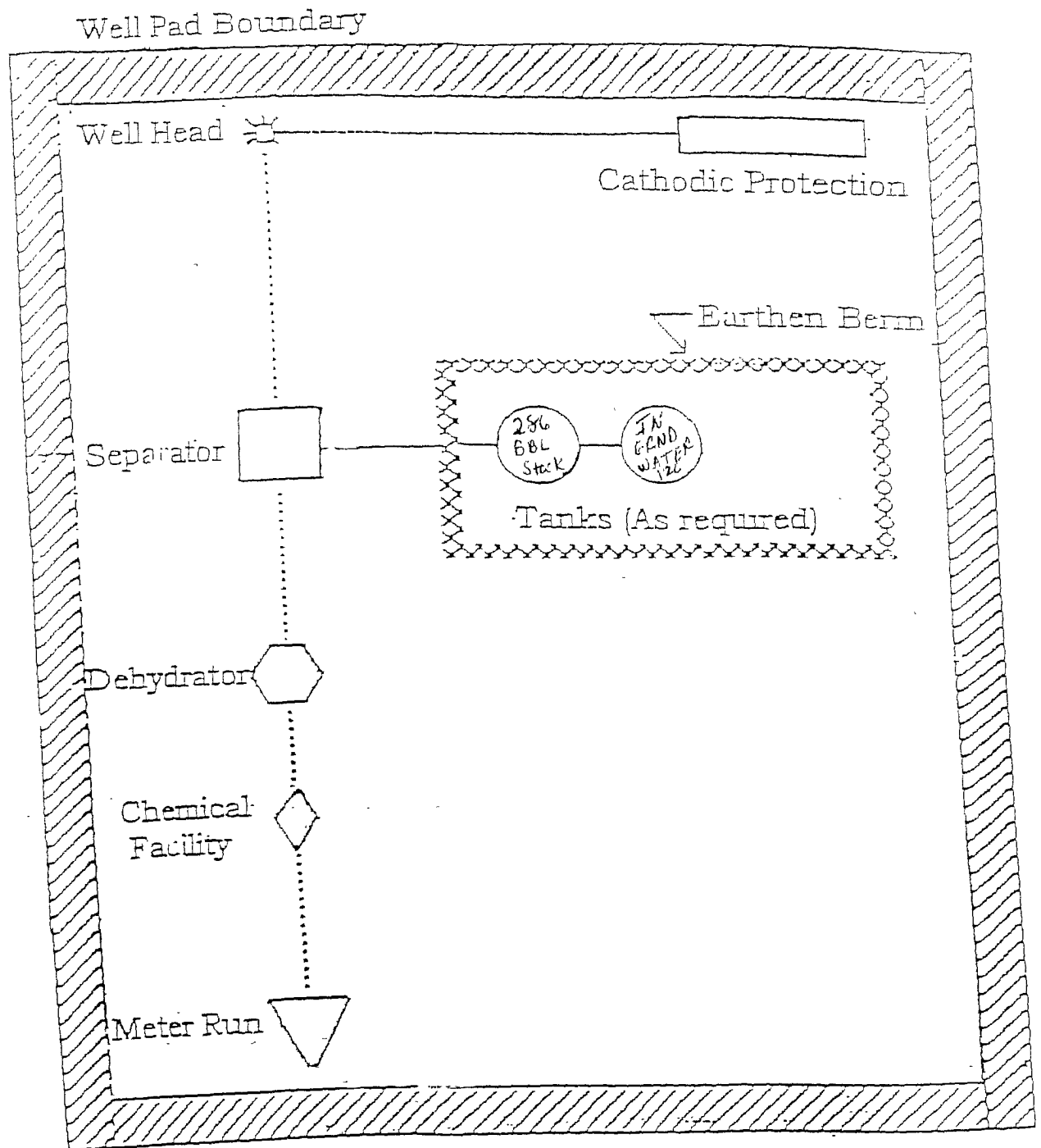
Slurry: San Juan PRB II, 2/10 % D-Air 3000, 5#/sk Gilsonite, 1/8 #/sk Poly-E-Flake

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 ³ /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 ³ /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

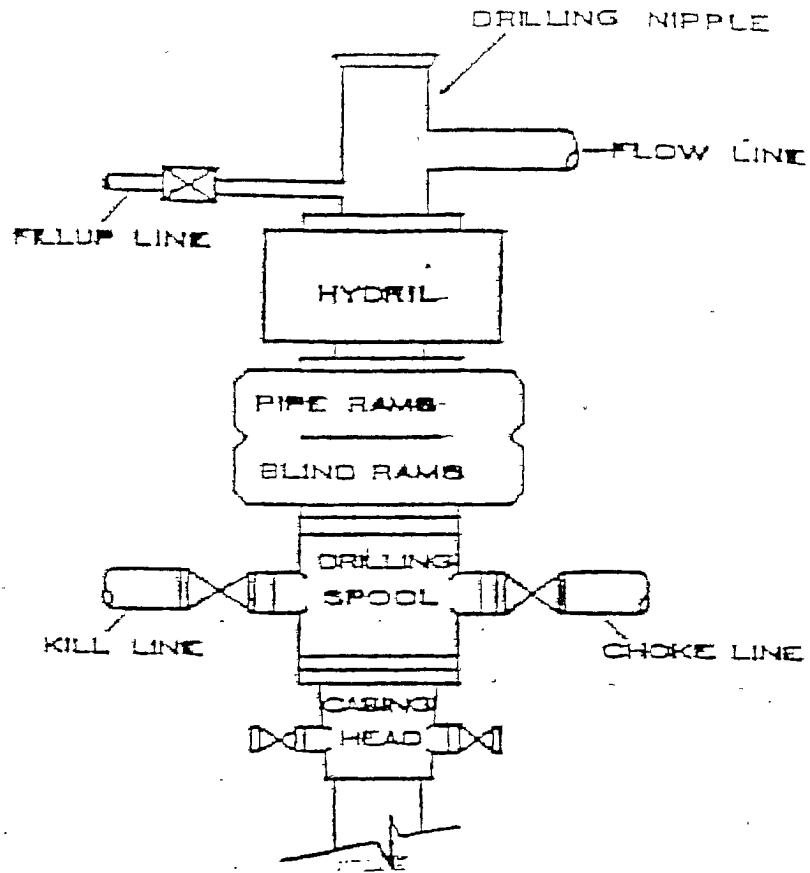


Figure #1

CHOKE MANIFOLD

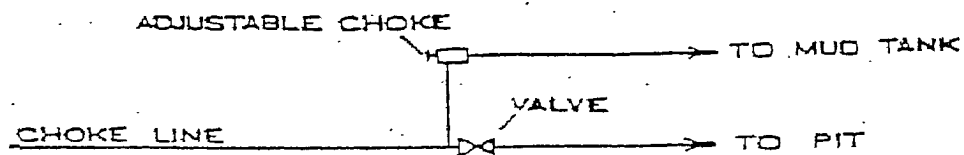


Figure #2