

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 #102

9 API Well No.
30-045-35055

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

11 Sec., T. R. M. or Blk. and Survey or Area
Sec 16-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 L, 2110' FSL & 1230' FWL, Sec 16-32N-14W
At proposed prod. zone Lot F, 1668' FNL & 1684' FWL, Sec 16-32N-14W

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

15 Distance from proposed* location to nearest property or lease line, ft
(Also to nearest drig. unit line, if any)
1668'

16 No of acres in lease
8400 ac

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
3250' TVD

20 BLM/BLA Bond No on file
BOK04SDF02064

21 Elevations (Show whether DF, KDB, RT, GL, etc)
6383' GL

22 Approximate date work will start*
March 2010

23. Estimated duration
Approx 30 days

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
06/30/2009

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)

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

*(Instructions on page 2)

Hold C104

for Directional Survey
and "As Drilled" plat

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SEE ATTACHED
CONDITIONS OF APPROVAL

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING CEMENT

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

DISTRICT I
P.O. Box 1960, Hobbs, N.M. 88241-1960

DISTRICT II
1301 W Grand Avenue, Artesia, NM 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

OIL CONSERVATION DIVISION

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

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JUL 10 2009

Bureau of Land Management

Durango Colorado

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 30-045-35055	² Pool Code 71520	³ Pool Name BARKER CREEK - DAKOTA
⁴ Property Code 18725	⁵ Property Name UTE MOUNTAIN UTE	⁶ Well Number 102
⁷ GRID No 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	⁹ Elevation 6383'

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
L	16	32-N	14-W		2110	SOUTH	1230	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
F	16	32-N	14-W		1668	NORTH	1684	WEST	SAN JUAN

¹² Dedicated Acres NW - 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 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 7-9-09 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. FEBRUARY 27 2009 Date of Survey ROY A. RUSH Signature and Seal of Professional Surveyor: NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8894 Certificate Number	

OPERATIONS PLAN

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Well Name: Ute Mountain Ute #102

Location: Surf: Lot L, 2110' FSL & 1230' FWL, SW/4, Sec 16, T32N-R14W

BHL: Lot F, 1668' FNL & 1684' FWL, NW/4, Sec 16, T32N-R14W
San Juan Co., New Mexico

Formation: Basin Dakota

Elevation: 6383' GL

Bureau of Land Management
Durango, Colorado

<u>Formation Tops:</u>	<u>TVD Top</u>	<u>Contents</u>
Menefee	Surface	
Point Lookout	263'	
Mancos	643'	gas or water
Gallup (Niobrara)	1618'	oil or water
Greenhorn	2343'	
Graneros	2403'	gas or water
Dakota	2468'	gas or water
Burro Canyon	2693'	
Morrison	2708'	
Morrison Pay Sand	2813'	
TD	3250'	

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' - 3716' MD	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>
11"	0 – 300'	8 5/8"	23#	J-55
6 1/4"	0 – 3716' MD	4 1/2"	10.5#	J-55

Tubing Program:

0 – 3716' MD	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. Drilling Spool may or may not be employed.

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, and casing 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.

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Wellhead:

8 5/8" x 4 1/2" x 2 3/8" x 5000 psi tree assembly.

**Bureau of Land Management
Durango Colorado**

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 objective.
- 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 1150. (Maximum expected pressure: This represents normal pressure gradients for the Morrison and Dakota Formation in this area.)
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The northwest quarter of Section 16 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_2
 $\frac{1}{4}$ #/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

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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

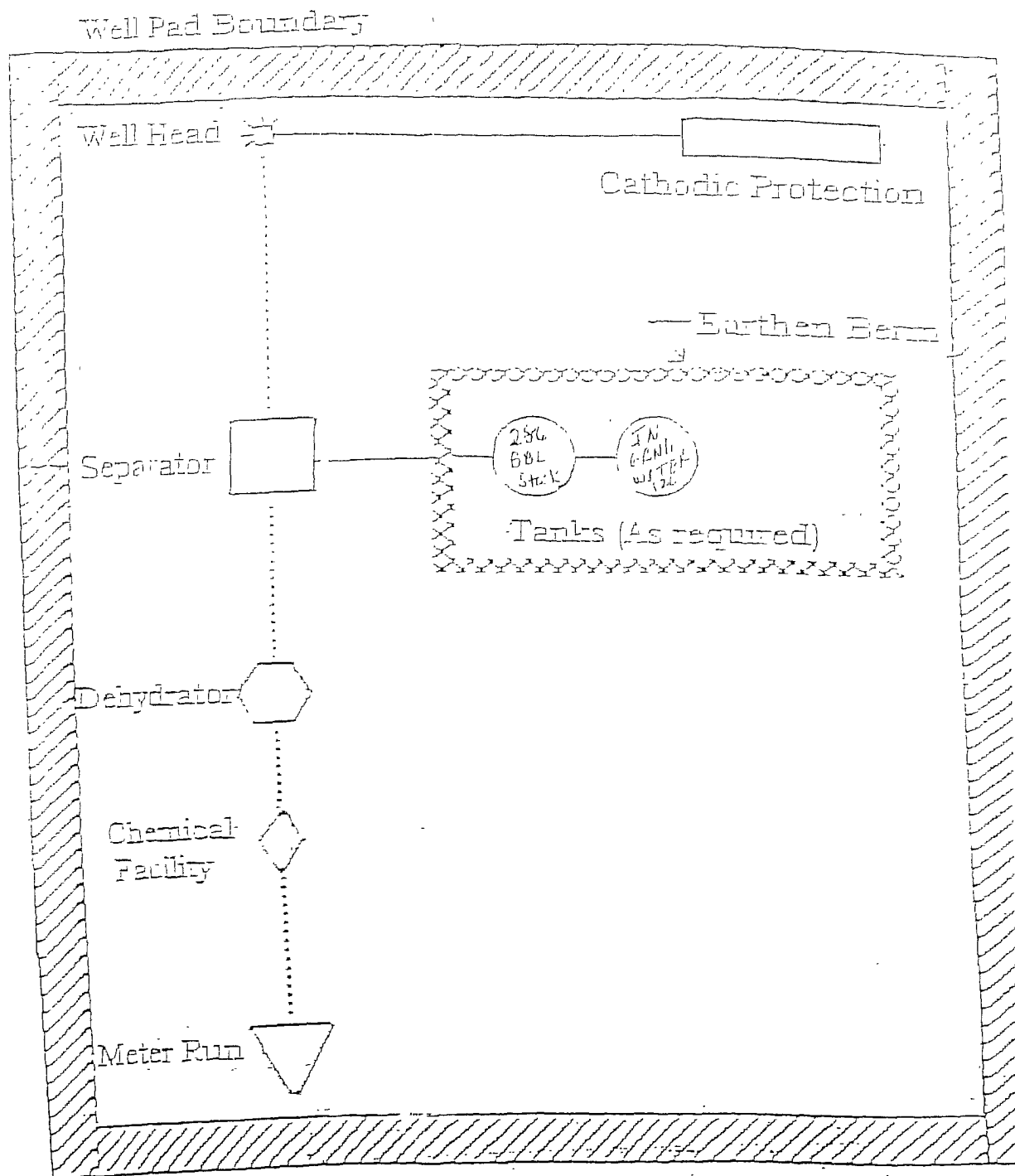
Slurry San Juan PRB II, 2/10 % D-Air 3000, 5#/sk Gilsonite, 1/8 #/sk Poly-E-Flake

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		

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PLAT #1

ANTICIPATED
PRODUCTION FACILITIES
FOR A
DAKOTA WELL

BURLINGTON RESOURCES/HUNTINGTON ENERGY, L.L.C.
UTE MOUNTAIN UTE
SAN JUAN CO., NM

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Durango Colorado

BOP STACK - 3000 PSI

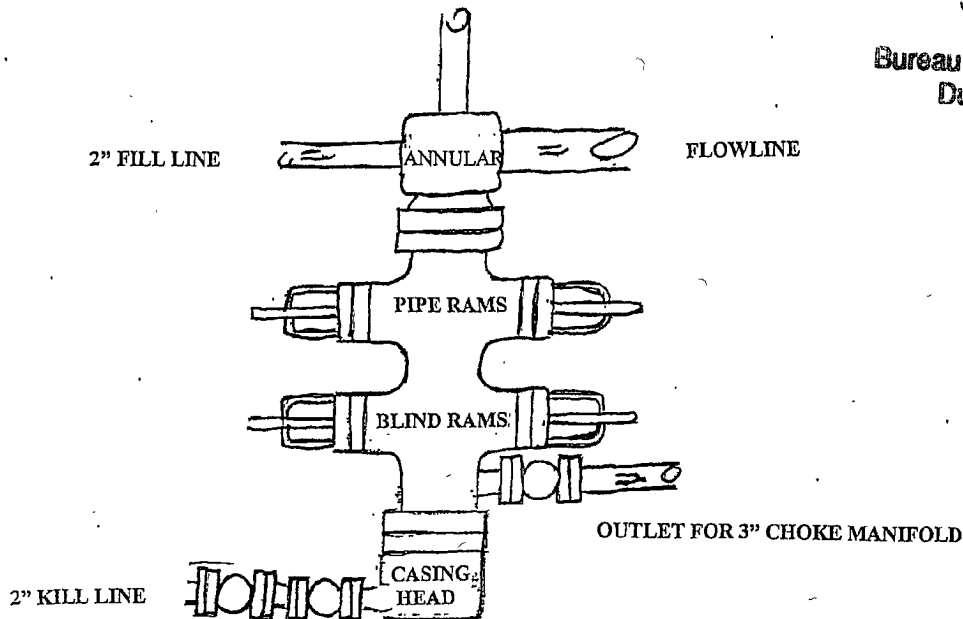


FIGURE 1

CHOKE MANIFOLD - 3000 PSI

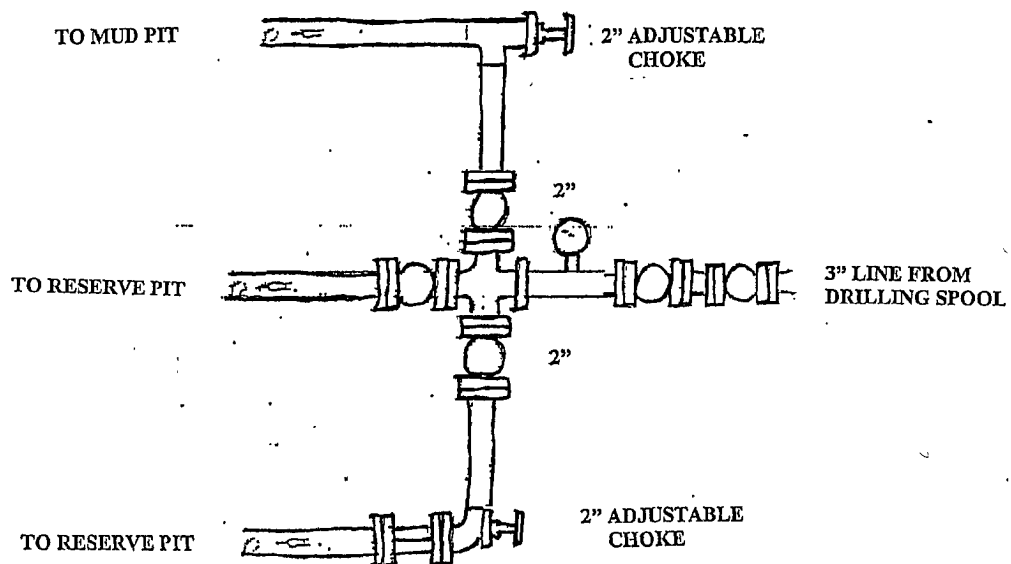


FIGURE 2