

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 07 2010

Bureau of Land Management
Farmington Field Office

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number NM-6890 Unit Reporting Number
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company, LP	7. Unit Agreement Name RCVD MAY 5 '10 OIL CONS. DIV. DIST. 3
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Reese Mesa 9. Well Number 7S
4. Location of Well Surface: Unit J (NESE), 1215' FNL & 1305' FEL Bottomhole: Unit K (NESW), 710' FNL & 1887' FWL Surface: Latitude: 36.99659° N (NAD83) Longitude: 107.65681° W Bottomhole: Latitude: 36.99797° N (NAD83) Longitude: 107.64551° W	10. Field, Pool, Wildcat Basin Fruitland Coal 11. Sec., Twn, Rge, Mer. (NMPM) SH - Sec. 10, T32N, R8W BH - Sec. 11, T32N, R8W API # 30-045- 35/35
14. Distance in Miles from Nearest Town 20 miles / Blanco	12. County San Juan
15. Distance from Proposed Location to Nearest Property or Lease Line 710'	13. State NM
16. Acres in Lease 397.30	17. Acres Assigned to Well 293.65 (FC) R-9055
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 600' from Reese Mesa 10 (PC)	
19. Proposed Depth 3608'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 7002' GL	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT
24. Authorized by: <u>Crystal Tafoya</u> Crystal Tafoya (Regulatory Technician)	<u>4/7/2010</u> Date

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE AFM DATE 5/4/2010

Archaeological Report attached

Threatened and Endangered Species Report attached

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 18 U.S.C. Section 1001, makes 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 presentations as to any matter within its jurisdiction.

Example Master Plan Type 2

Bond Numbers NMB-000015 and NMB-000089

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

MAY 14 2010

NMOCD

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

RECEIVED

Form C-102
Revised October 12, 2005

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87506

OIL CONSERVATION DIVISION

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

Bureau of Land Management
Farmington Field Office

State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-045-35135	'Pool Code 71629	'Pool Name BASIN FRUITLAND COAL
'Property Code 18606	'Property Name REESE MESA	'Well Number 7 S
'OGRID No. 14538	'Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	'Elevation 7002'

¹⁰ Surface Location

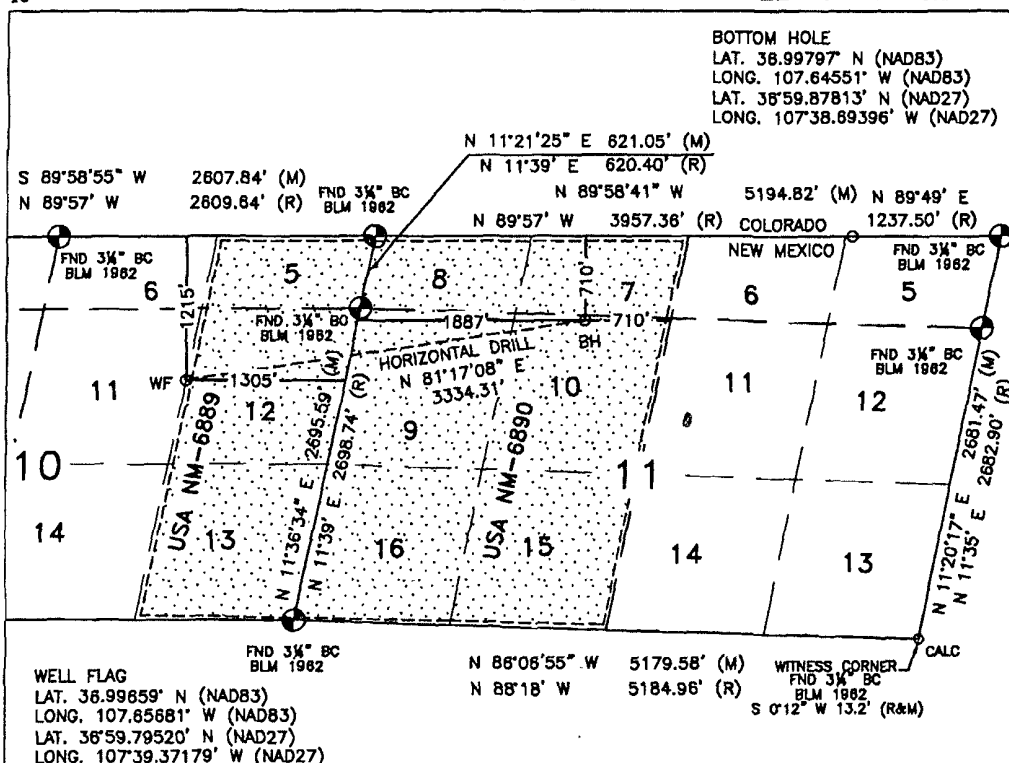
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	10	32N	8W	11	1215'	NORTH	1305'	EAST	SAN JUAN

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
K	11	32N	8W	10	710'	NORTH	1887'	WEST	SAN JUAN

¹² Dedicated Acres 293.65 Acres	¹³ Joint or Infill	¹⁴ Consolidation Code Simultaneous Dedication	¹⁵ Order No. <i>Sub 10 lots 6, 12, 13</i> R-9055 <i>Sub 11 Lots 7-10, 15, 16</i>
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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



17	OPERATOR CERTIFICATION
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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organisation 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 or a compulsory pooling order heretofore entered by the division.

Signature Constat Talaya Date 3/1/10

Crystal Tafoya 3/1/2010
Printed Name

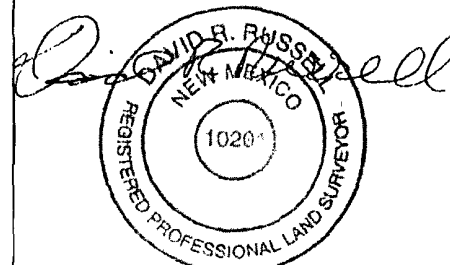
18 SURVEYOR CERTIFICATION

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 belief.

OCTOBER 1, 2008

Date of Survey

Signature and Seal of Professional Surveyor:



DAVID RUSSELL

Certificate Number

10201

PROJECT PROPOSAL -New Drill / Sidetrack**San Juan Business Unit****REESE MESA 7S****DEVELOPMENT**

Lease: AFE #:WAN CDR 7429 AFE \$:889,173.00
Field Name: SAN JUAN Rig Aztec Rig 730 State: NM County:SAN JUAN API #:
Geologist: Phone: Geophysicist: Phone:
Geoscientist: Clark, Dave D Phone: +1 505-326-9762 Prod. Engineer: Phone:
Res. Engineer: Phone: Proj. Field Lead: Phone:

Primary Objective (Zones):

Zone	Zone Name
JCV	BASIN FRUITLAND COAL (GAS)

Surface		Datum Code NAD 27				Horizontal	
Location:						Range. 008W	
Latitude:36.996587	Longitude: -107.656197	X:	Y:	Section 10			
Footage X: 1305 FEL	Footage Y: 1215 FNL	Elevation 7002	(FT)	Township:032N			
Tolerance:							
Bottom Hole		Datum Code NAD 27				Horizontal	
Location:						Range. 008W	
Latitude 36.997966	Longitude: -107.644897	X:	Y:	Section 11			
Footage X 1887 FWL	Footage Y: 710 FNL	Elevation.	(FT)	Township:032N			
Tolerance:							

Location Type Restricted	Start Date (Est.): 1/1/2010	Completion Date:	Date In Operation:			
Formation Data: Assume KB =7017	Units = FT					
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks
Surface Casing	200	6817				200' MD. 12-1/4" hole. 9-5/8", 32.3 ppf, H-40, STC casing Cement with 159 cu ft. Circulate cement to surface
NACIMIENTO	1082	5935				1082' MD
OJO ALAMO	2443	4574				2443' MD
KIRTLAND	2550	4467				2550' MD
FRUITLAND	3273	3744		1400		3379' MD
T/GREEN MESA	3591	3426				Top of the target coal below surface, (not part of the well path)
PATH 100' F/SHL LATERAL	3602	3415				Center of coal seam 100' from surface location in direction of well path , (not part of the well path)
PATH 500' F/SHL LATERAL	3603	3414				Center of coal seam 500' from surface location in direction of well path , (not part of the well path)
PATH 1000' F/SHL LATERAL	3604	3413				Center of coal seam 1,000' from surface location in direction of well path , (not part of the well path)
Intermediate Casing	3604	3413				4393' MD. 8-3/4" hole. 7", 23 ppf, L-80, LTC casing. Cement with 990 cu ft Circulate cement to surface.
PATH 1500' F/SHL LATERAL	3605	3412				4583' MD
PATH 2000' F/SHL LATERAL	3606	3411				5083' MD
PATH 2500' F/SHL LATERAL	3607	3410				5583' MD
Total Depth	3608	3409				6421' MD. 6-1/4" hole 4-1/2", 11 6 ppf, L-80,
PATH 3000' F/SHL LATERAL	3608	3409				6083' MD
B/GREEN MESA	3614	3403				Bottom of the target coal below surface, (not part of the well path)

Reference Wells:

Reference Type	Well Name	Comments
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Printed on: 5/6/2010 11:23:00 AM

PROJECT PROPOSAL -New Drill / Sidetrack

San Juan Business Unit

REESE MESA 7S

DEVELOPMENT

Logging Program :

Logging Program:

Intermediate Logs: Log only if show GR/ILD Triple Combo

TD Logs: Triple Combo Dipmeter RFT Sonic VSP TDT

Additional Information

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks
Comments	Location/Tops/Logging - FCNM032N008W10NE2 Budgeted as strategic horizontal with SHL at 1735' FSL & 2045' FEL in section 11 and BHL at 700' FNL & 700' FEL in sectin 10				
	Zones - FCNM032N008W10NE2				
	General/Work Description - No known H2S potential exist as of 3/23/10 Dalessandro				
	Project moved from 2008 to 2009 per J. Carrillo 7/9/07 - LM				
	New proposed surface and bottom hole are as follows:				
	Surface: NM 32N 8W Section 10, 850' FNL, 1700' FEL				
	Bottom hole NM 32N 8W Section 11, 700' FNL, 1900' FWL 8-13-08 from Hal Mead				

PROJECT PROPOSAL - New Drill / Sidetrack

REESE MESA 7S

DEVELOPMENT

Lease:		AFE #: WAN.CDR.7429				AFE \$: 889,173.00	
Field Name: SAN JUAN		Rig: Aztec Rig 730		State: NM	County: SAN JUAN		API #:
Geologist:		Phone:		Geophysicist:		Phone:	
Geoscientist: Clark, Dave D		Phone: +1 505-326-9762		Prod. Engineer:		Phone:	
Res. Engineer:		Phone:		Proj. Field Lead:		Phone:	
Primary Objective (Zones):							
Zone	Zone Name						
JCV	BASIN FRUITLAND COAL (GAS)						
Location: Surface Datum Code: NAD 27 Horizontal							
Latitude: 36.996587	Longitude: -107.656197	X:	Y:	Section: 10		Range: 008W	
Footage X: 1305 FEL		Footage Y: 1215 FNL		Elevation: 7002 (FT)	Township: 032N		
Tolerance:							
Location: Bottom Hole Datum Code: NAD 27 Horizontal							
Latitude: 36.997966	Longitude: -107.644897	X:	Y:	Section: 11		Range: 008W	
Footage X: 1887 FWL		Footage Y: 710 FNL		Elevation:	(FT) Township: 032N		
Tolerance:							
Location Type: Restricted		Start Date (Est.): 1/1/2010		Completion Date:		Date In Operation:	
Formation Data: Assume KB = 7017 Units = FT							
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT	Remarks	
Surface Casing	200	6817	☐			12-1/4" hole. 9-5/8", 32.3 ppf, H-40, STC casing. Cement with 159 cu ft. Circulate cement to surface.	
NACIMIENTO	1082	5935	☐				
OJO ALAMO	2443	4574	☐				
KIRTLAND	2550	4467	☐				
FRUITLAND	3273	3744	☐				
T/GREEN MESA	3591	3426	☐				
PATH 100' F/SHL LATERAL	3603	3415	☐				
PATH 500' F/SHL LATERAL	3603	3414	☐				
PATH 1000' F/SHL LATERAL	3604	3413	☐				
PATH 1500' F/SHL LATERAL	3605	3412	☐				
PATH 2000' F/SHL LATERAL	3606	3411	☐				
PATH 2500' F/SHL LATERAL	3607	3410	☐				
PATH AT BH LATERAL	3608	3409	☐				
PATH 3000' F/SHL LATERAL	3608	3409	☐				
Total Depth	3608	3409	☐			8-3/4" hole. 7", 23 ppf, L-80, LLTC casing. Cement with 990 cu ft. Circulate cement to surface.	
B/GREEN MESA	3614	3403	☐				
Reference Wells:							
Reference Type	Well Name		Comments				

PROJECT PROPOSAL - New Drill / Sidetrack

REESE MESA 7S

DEVELOPMENT

Logging Program:

Intermediate Logs: ☐ Log only if show ☐ GR/ILD ☐ Triple Combo

TD Logs: ☐ Triple Combo ☐ Dipmeter ☐ RFT ☐ Sonic ☐ VSP ☐ TDT

Additional Information:

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks
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Project: SJB (NM West)
Site: SEC 10-T32N-R8W
Well: Reese Mesa #7S
Wellbore: Lateral OH
Design: Plan #1

ConocoPhillips

REFERENCE INFORMATION

Co-ordinate (N/E) Reference Well Reese Mesa #7S, True North
Vertical (TVD) Reference DFE @ 7017.0ft (AWS 730)
Section (VS) Reference Slot - (0.0N, 0.0E)
Measured Depth Reference DFE @ 7017.0ft (AWS 730)
Calculation Method Minimum Curvature

PROJECT DETAILS

Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico West 3003
System Datum: Mean Sea Level

WELL DETAILS: Reese Mesa #7S

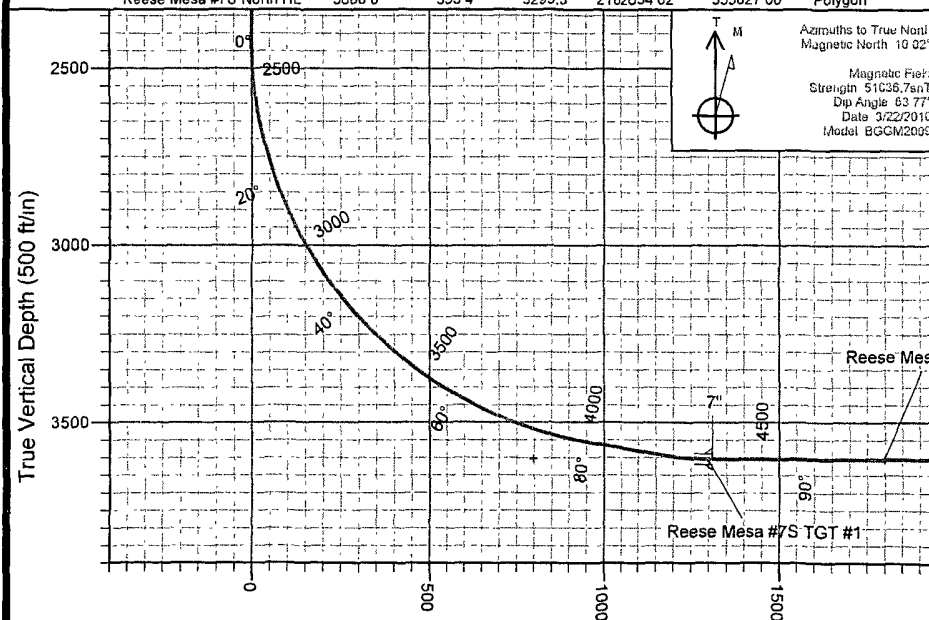
Ground Level: 7002.0
+N/-S +E/-W Northing Easting Latitude Longitude
0.0 0.0 2182075.13 551728.99 36° 59' 47.712 N 107° 39' 22.307 W

SECTION DETAILS

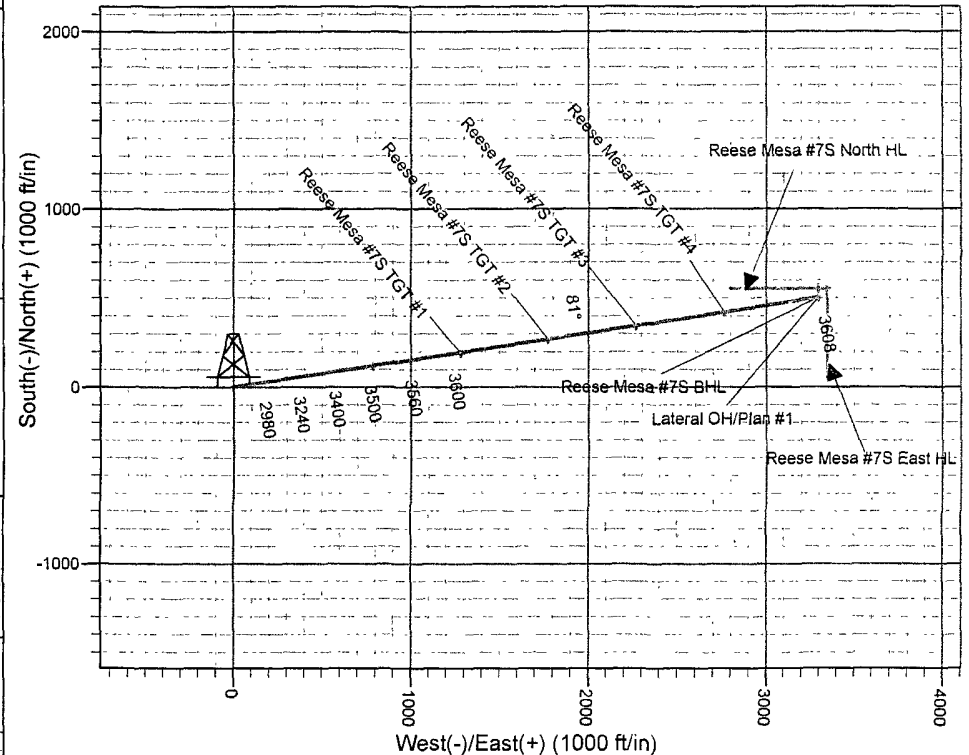
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	2426.0	0.00	0.00	2426.0	0.0	0.0	0.00	0.00	0.0	
3	4026.0	80.00	81.40	3554.5	141.6	936.3	5.00	81.40	946.9	
4	4226.0	80.00	81.40	3589.2	171.1	1131.0	0.00	0.00	1143.9	
5	4392.7	90.00	81.40	3603.7	195.8	1295.0	6.00	0.00	1309.7	
6	4400.8	89.85	81.33	3603.8	197.1	1303.1	2.00	-155.19	1317.9	
7	4881.9	89.85	81.33	3605.0	269.6	1778.7	0.00	0.00	1799.0	Reese Mesa #7S TGT #2
8	4886.5	89.89	81.25	3605.0	270.3	1783.2	2.00	-68.35	1803.5	Reese Mesa #7S TGT #3
9	5381.9	89.89	81.25	3606.0	345.7	2272.8	0.00	0.00	2299.0	Reese Mesa #7S TGT #4
10	5387.7	89.89	81.36	3606.0	346.5	2278.5	2.00	90.10	2304.7	
11	5881.8	89.89	81.36	3607.0	420.8	2767.0	0.00	0.00	2798.8	
12	5891.2	89.89	81.17	3607.0	422.2	2776.3	2.00	-87.46	2808.2	
13	6420.5	89.89	81.17	3608.0	503.4	3299.3	0.00	0.00	3337.5	Reese Mesa #7S BHL

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Reese Mesa #7S CPP	3603.0	119.4	789.3	2182196.00	552518.00	Point
Reese Mesa #7S TGT #1	3604.0	194.5	1283.5	2182272.00	553012.00	Point
Reese Mesa #7S TGT #2	3605.0	269.6	1778.7	2182348.00	553507.00	Point
Reese Mesa #7S TGT #3	3606.0	345.7	2272.8	2182425.00	554001.00	Point
Reese Mesa #7S TGT #4	3607.0	420.8	2767.0	2182501.00	554495.00	Point
Reese Mesa #7S BHL	3608.0	503.4	3299.3	2182584.63	555027.09	Point
Reese Mesa #7S East HL	3608.0	553.4	3349.3	2182634.71	555076.98	Polygon
Reese Mesa #7S North HL	3608.0	553.4	3299.3	2182634.62	555027.00	Polygon



Vertical Section at 81.32° (500 ft/in)



Reese Mesa 7S

Directional Plan Lateral OH (Plan No. 1) accompanies this document

GL 7002'
KB 7017' (Aztec 730)

Surface location:

7" csg shoe/ beginning of producing interval

Lateral, end of prod. interval

State of New Mexico

T32N, R08W, Section 10, 1215' FNL, 1305' FEL

T32N, R08W, Section 10, 1020' FNL, 76' FEL

T32N, R08W, Section 11, 710' FNL, 1887' FWL

MD ft	TVD ft
NA	NA
4,393'	3,604'
6,421'	3,608'

7" casing landed horizontally in the coal
lateral total depth & 4-1/2" casing depth

12-1/4" Hole and 9-5/8" Casing at 200'

Casing description: 9-5/8" 32.3 #/ft, H-40, STC

cementing program: Cement to surface with 159 cu. ft. (125 sks), volume includes 125% excess in open hole, mixed at 15.2 ppg with calcium chloride to accelerate, compressive strength 500 psi after 8 hours.

Lateral: consisting of 6-1/4" Hole & 4-1/2" Liner to 6,421' MD (3,608' TVD)

casing description: 4-1/2" 11.6#/ft, L-80, BTC

uncemented, pre-drilled and plugged, with two holes per joint

8-3/4" Hole & 7" Casing (motherbore)

casing description: 7", 23#/ft, L-80, LTC to 4,393' MD (3,604' TVD)

cementing program: Cement to surface with 990 cu. ft. volume includes 50% excess in open hole, to consist of 816 cu. ft. (383 sks) lead slurry mixed at 12.1 ppg and 174 cu. ft. (126 sks) tail slurry mixed at 14.6 ppg. Slurries are extended to achieve stated densities and may include various additives to control seepage. TOC for tail: 100' MD above base of Kirtland Shale

BOP program, drilling mud program, and casing centralizer program will be per basin-wide standards for top-set coal wells.