UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 1 6 2010

| | APPLICATION FOR PERMIT TO DRILL, DEEPE | Farming First Co. | men |
|---------|--|---|--------------|
| э. | Type of Work | 5. Lease Number | न्य |
| | DRILL | SF-078200-A | |
| | | Unit Reporting Number | |
| b. | Type of Well | 6. If Indian, All. or Tribe | |
| | GAS | | |
| | Operator | 7. Unit Agreement Name | |
| | BURLINGTON RESOURCES Oil & Gas Company, LP | RCVD JUL 12 | |
| | ALGUUNGEG OII & Gas Company, El | OIL COMS. DI DIST, S | V. |
| | Address & Phone No. of Operator | 8. Farm or Lease Name | _ |
| | PO Box 4289, Farmington, NM 87499 | Grambling C | |
| | | 9. Well Number | |
| | (505) 326-9700 | 1P | |
| | Location of Well | 10. Field, Pool, Wildcat | |
| | Surface: Unit G(SWNE), 1331' FNL & 2343' FEL | Basin Dakota | |
| - | Surface: Latitude: 36.815518° N (NAD83) (S Longitude: 107.852965° W | 11. Sec., Twn, Rge, Mer. (NMPM) ec. 14, T30N, R10W | |
| | | API# 30-045- 35/73 | |
| 4. | Distance in Miles from Nearest Town | 12. County 13. State | |
| | 10.7 miles from Aztec, NM | San Juan NM | |
| 5. | Distance from Proposed Location to Nearest Property or Lease L | ine | |
| 6. | Acres in Lease | 17. Acres Assigned to Well | |
| | 315-360 1070.92 | 311.78 N/2 | |
| 8. | Distance from Proposed Location to Nearest Well, Drlg, Compl, o 530.2' from Grambling C 11 - PC | r Applied for on this Lease | |
| 9. | Proposed Depth | 20. Rotary or Cable Tools | |
| | 7615' H₂S POTENTIAL EX | | |
| 1. | Elevations (DF, FT, GR, Etc.) | 22. Approx. Date Work will Start | — |
| | 6414' GL | | |
| 23. | Proposed Casing and Cementing Program | | |
| | See Operations Plan attached | | |
| 24. | Authorized by: Mulia L. Busse (Staff Regulatory | Iech) (Date | <u>10</u> |
| | <u> </u> | | |
| ERM | IIT NO. APPROVAL DA | ATE / | / |
| | CAMPILLE 10 10 10 10 10 10 10 10 10 10 10 10 10 | - | - |
| PPR | OVED BY (1) // / (AM/leclo) TITLE ATM | DATE <u>1/2/20</u> | |
| | eological Report attached A gas not peryuniten | AZTEC OCD 24 HRS | n. |
| | tened and Endangered Species Report attached This format is issued in lieu of U.S. BLM Form 3160-3 | ALIEU UUU 24 HRS. | |
| itle 18 | U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to r | A. CASING118 & GEMENT | d |
| | any false, fictitious or fraudulent statements or presentations as to any matter with mple Master Plan Type 3 Bond Numbers NMB-0 | in its jurisdiction. 00015 and NMB-000089 | |
| | inple Master Flam Type 3 Bolld Mullibers MMB-0 | BLM'S APPROVAL OR ACCEPTANCE | |
| | | A COTION DODG NOT DELIEVE THE I | T.C. |

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

WOCD JUL 1 4 2010

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

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico

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

JUN 1 6 2010

Form C-102 Energy, Minerals & Natural Resources Department, Revised October 12, 2005
OIL CONSERVATION DIVISION

State Lease - 7 Copies Fee Lease - 3 Copies

AMENDED REPORT Thought Fald Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 30-045-55173 | ² Pool Code 71599 | 3 Pool Name BASIN DAKOTA | |
|----------------------------|--|-----------------------------|---------------|
| ⁴ Property Code | | roperty Name | 6 Well Number |
| 7056 7 OGRID No. | | perator Name | 9 Elevation |
| 14538_ | BURLINGTON RESOUR | RCES OIL & GAS COMPANY LP | 6414 |
| | 10 SURFA | ACE LOCATION | |

| | | | | | 10 SURFACE | LOCATION | | | |
|--------------------|---------------|------------------|---------------|---------|--------------------|---------------------------|--------------------|------------------------|--------------------|
| UL or lot no. G | Section 14 | Township 30-N | Range 10-W | Lot ldn | Feet from the 1331 | North/South line NORTH | Feet from the 2343 | East/West line EAST | County SAN JUAN |
| | | | Н | ottom H | ole Location | If Different Fro | m Surface | | |
| UL or lot no. | Section | Township | Range | | Feet from the | North/South line | Feet from the | East/West line | County |
| G | | | | | | | | | |
| Dedicated Acres | | or Infill | Consolidation | Code 15 | Order No. | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOI IDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | (| | an a thing of the control of the theory was to the control of the | (O) | 17 OPER A TOP OFFICE TICK |
|--------|--|--|---|----------------------------|---|
| 16 | BLM 1967 | S 88"04'20" W S 88"04' W | 2608.5' (M) 2615.6' (R) | BLM 1 1967 | OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and |
| LOT 4 | N/2 DEDICATED ACREAGE USA SF-078200-A LOT 3 | LOT 2 | LOT 1 | 2642.0' (R) 2645.1' (M) | 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 woluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature |
| LOT 5 | WELL FLAG NAD 83 LAT: 36.815518° N DNG: 107.852965° W NAD 27 AT: 36°48.930875' N G: 107°51.140808' W | 2343' LOT 7 SECTION 14, T-30-N, R-10-W | LOT 8 | N 0.49" W | Printed Name Regulatory Technician Title and E-mail Address January 13, 2010 Date 18 SURVEYOR CERTIFICATION I hereby cerufy that the well location shown on this plat |
| LOT 12 | LOT 11 | LOT 10 | LOT 9 | BLM 1967 | 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 Date of Survey: 12/01/09 Signature and Seal of Professional Surveyor: |
| | THE NEW MEXICO STATE STEM, WEST ZONE, NADB3 PS OBSERVATION AND LOT 14 | LOT 15 | LOT 16 | | Certificate Number: NM 11393 |



PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

GRAMBLING C 1P DEVELOPMENT

| Lease: | | | | | AFE #:WA | N.CDR. | 9385 | | AFE \$: 888,950.00 | |
|-------------------------------|-----------|----------------------|------------------|-----------------|---|---------------------------|-----------------------------------|----------------------------|--------------------------|--|
| Field Name: SAN JUAN | | | Rig: H&P Rig 282 | | | State: NM County: SAN JUA | | | | |
| Geologist: | | | Phone: | | | Geophysicist: | | | Phone: | |
| Geoscientist: Phone: | | | | | *************************************** | Prod. Engineer: Phone: | | | hone: | |
| Res. Engineer: Phone: | | | | | | Proj. f | ield Lead: | р | hone: | |
| Primary Object | ive (Z | ones): | | | | | | | | |
| Zone | Zone | Name | | | | | | | | |
| FRR | BASIN | I DAKOTA (PRORAT | ED GAS | 3) | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Location: Surface | e 🦠 | Datum Co | dë: N/ | \D 27 | | | | | Straight Hole | |
| Latitude: 36.8155 | 514 | Longitude: -107.85 | 2346 | X: | | Y: | | Section: 14 | Range: 010W | |
| Footage X: 2343 | FEL | Footage Y: 1331 F | NL | Elevation: 6 | 414 | (FT) | Township: 030 | N | | |
| Tolerance: | | | | | | | | | | |
| Location Type: Ye | ear Roi | und | Start [| Date (Est.): 1, | /1/2011 | Con | npletion Date: | Date In O | peration: | |
| Formation Data: | Assu | me KB = 6429 | Units = | FT | | | | | | |
| Formation Call & | | Depth (TVD in Ft) | SS | Depletion | | внт | | Remarks | | |
| Casing Points Surface Casing | | (TVD in Ft) | | (Yes/No) | (PSIG) | 1 | 12-1/4 holo | 200' 9 5/8" 32.3 ppf, H-4 | 0 STC casing Compat | |
| 1 | | 200 | 6229 | ' <u> </u> | | | | Circulate cement to surfa | | |
| NACIMIENTO | | 332 | 6097 | | | | | | | |
| OJO ALAMO | | 1734 | 4695 | | | | | • | | |
| KIRTLAND | | 1883 | 4546 | | | | | | | |
| FRUITLAND | | 2527 | 3902 | | | | Possible Gas | | | |
| PICTURED CLIFFS | | 3081 | 3348 | | | | | | | |
| LEWIS | _ | 3218 | 3211 3111 | _ | | | | W 22 - 6 1 55 1 TO 6 - 1 | G | |
| Intermediate Casing 3318 | | | | | | 114 | 8 3/4" Hole. / Circulate ceme | | ng. Cement with 888cuft. | |
| HUERFANITO BEN | TONIT | E 3794 | 2635 | = | | | | | | |
| CHACRA | | 4106 | 2323 | | | | | | | |
| UPPER CLIFF HOU | | 4595 | 1834 | | | | Gas; Cliffhouse | e Is Dry | | |
| MASSIVE CLIFF HO | USE | 4697 | 1732 | | 395 | | Gas | | | |
| MENEFEE | | 4864 | 1565 | | | | | | | |
| POINT LOOKOUT | | 5313 | 1116 | | | | | | | |
| MANCOS | | 5663 | 766 | | | | | | | |
| UPPER GALLUP | | 6578 | -149 | | | | | | | |
| GREENHORN GRANEROS | | 7325 | -896 | | | | | | | |
| TWO WELLS | | 7377 | -948 | | 2544 | | Gas | | | |
| 1 | | 7424 | -995 | | 2544 | | Gas | | l | |
| PAGUATE UPPER CUBERO | | 7523 | -1094 | | | | | | 1 | |
| | | -1127 | | | | Ect Dtm Darf | 7500 (-1170) based | offcet wells | | |
| LOWER CUBERO 7569 | | -1140 | _ | | | TD - T/ENCN | 7599 (-1170) based on | OHOCE WEID | | |
| ENCINAL 7615 Total Depth 7615 | | | -1186 -1186 | | | 202 | • | 4-1/2" 11.6 ppf, J-55/L-80 | LTC casing Cement | |
| Total Deput | | 7615 | -1190 | , Ц | | 202 | w/ 585 cuft. Ci previous casin | irculate cement a minimu | m of 100' inside the | |
| Reference Well | 5: | | | | | | | | | |

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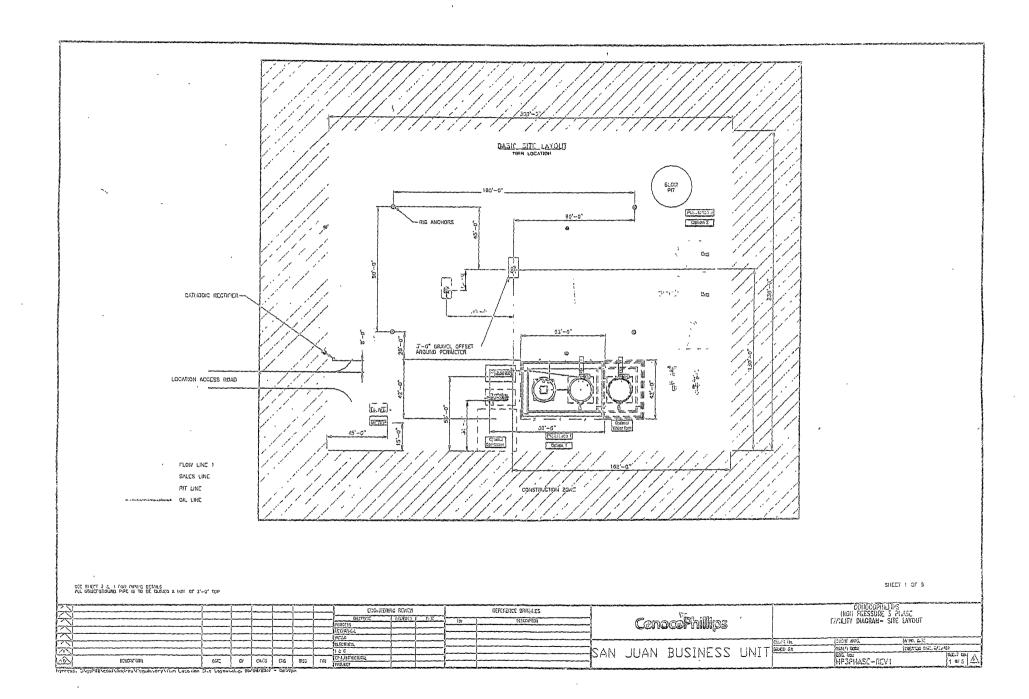
PROJECT PROPOSAL - New Drill / Sidetrack

San Juan Business Unit

GRAMBLING C 1P

DEVELOPMENT

| Reference Type | Well Name | C | omments | | | | | | | | |
|-------------------------------|---------------------------------------|-----------------------|--|---|---------|--------------------------------------|--|--|--|--|--|
| Production | GRAMBLING C-131 | Ξ 30 | 30N 10W 14 SE NW SE | | | | | | | | |
| Production | GRAMBLING C-1F | 30 | 30N 10W 14 SW NE NW | | | | | | | | |
| Production | GRAMBLING C-1B | 30 | N 10W 14 SW | NE NE | | | | | | | |
| 443840045777 <u>7</u> 6771886 | | Company of the second | 14 - 9 18 19 13 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15 | et ida erende eta erende eta erende eta erende. | | 1. Y. Karry, A. K. K. K. K. K. K. K. | | | | | |
| | | | | | | | | | | | |
| Intermediate Logs | E Log only if sho | w 🗌 GR/ILD | ☐ Triple Comb | 00 | | | | | | | |
| | | | | | | A ⁵ | | | | | |
| TD Logs: | Triple Combo | ☐ Dipmeter [| RFT Sor | nic 🗌 VSP 📗 TDT 🗹 Ot | her | | | | | | |
| | Cased Hole GR / (Mudlog from 100' | | P to TD - mudlo | gger will call TD. | | | | | | | |
| Additional Informa | ation: | | | | | | | | | | |
| | | | | | | | | | | | |
| l og Type | Stage | From (Ft) | To (Et) | Tool Type/Name | Romarke | | | | | | |



BURLINGTON RESOURCES OIL & GAS COMPANY LP

GRAMBLING C 1P
1331' FNL, 2343' FEL
SECTION 14, T-30-N, R-10-W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO
NAD 83 LAT.: 36.815518°N LONG.: 107.852965°W
GROUND ELEV.: 6414 FIN. ELEV.: 6412 NAVD88
NEW ACCESS 65.5'

FROM THE INTERSECTION OF HWY. 550 AND AZTEC BLVD. IN AZTEC, N.M.:

- GO 1.1 MI. NORTH ON HWY. 550. TURN RIGHT ON STATE HWY.
 173, GOING TOWARDS NAVAJO DAM.
- GO 8.3 MI. EAST ON HWY. 173. TURN LEFT (NORTH).
- GO 1.2 MI. NORTH ON SANDY DIRT ROAD. TURN RIGHT AT Y IN ROAD.
- GO 0.15 MI. NORTH, CROSSING DRAINAGE. BEGIN 65.5' NEW ACCESS ROUTE ON LEFT SIDE OF ROAD. NEW WELL IS STAKED HERE.