UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| | Type of Work DRILL | 5. Lease Number SF-078135 Unit Reporting Number |
|----------|---|--|
| b. | Type of Well GAS | 6. If Indian, All. or Tribe |
| 2. | Operator BURLINGTON | 7. Unit Agreement Name |
| | RESOURCES Oil & Gas Company | Huerfanito Unit |
| 3. | Address & Phone No. of Operator PO Box 4289, Farmington, NM 87429 | 8. Farm or Lease Name Huerfanito Unit 9. Well Number |
| | (505) 326-9700 NOU 2000 | 90A |
| 1. | Location of Well 1360'FSL, 2265'FEL | 10. Field, Pool, Wildcat Blanco Mesaverde 11. Sec., Twn, Rge, Mer. (NMPM) |
| <u> </u> | Latitude 36° 30.8, Longitude 107° 44.4 | Sec. 1, T-26-N, R-9-W API # 30-045-30309 |
| 14. | Distance in Miles from Nearest Town 15 mi from Huerfano Trading Post | 12. County 13. State San Juan NM |
| 15. | Distance from Proposed Location to Nearest Property or Lease Line | |
| 16. | Acres in Lease | 17. Acres Assigned to Well 320.06 E/2 |
| 18. | Distance from Proposed Location to Nearest Well, Drlg, Compl, or 150' | Applied for on this Lease |
| 19. | Proposed Depth 4600'- This across is outstant to technical and procedural review pursuant to 43 CFR 3166.3 and appeal pursuant to 43 CFR 3166.4 | 20. Rotary or Cable Tools Rotary |
| 21. | Elevations (DF, FT, GR, Etc.) 6163'_GL | 22. Approx. Date Work will Start |
| 23. | Proposed Casing and Cementing Program See Operations Plan attached | DRIGHNO DPERATIONS AUTHORIZED AR SUBJECT TO COMPLEMICE WITH ATTACK "GENERAL REQUIREMENTS". |
| 24. | Authorized by: All Regulatory/Compliance Administrato | <i>G-20-00</i> Date |
| | IT NO. APPROVAL DA | ATP |

Archaeological Report to be submitted

Threatened and Endangered Species Report to be submitted

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.

District I 26 Box 1980, Hobbs, NM 88241-1980

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088

Santa Fe. NM 87504-2088

Form C-102 Revised February 21, 1994 Instructions on back

PO Drawer DD, Artesia, NM 88211-0719

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

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

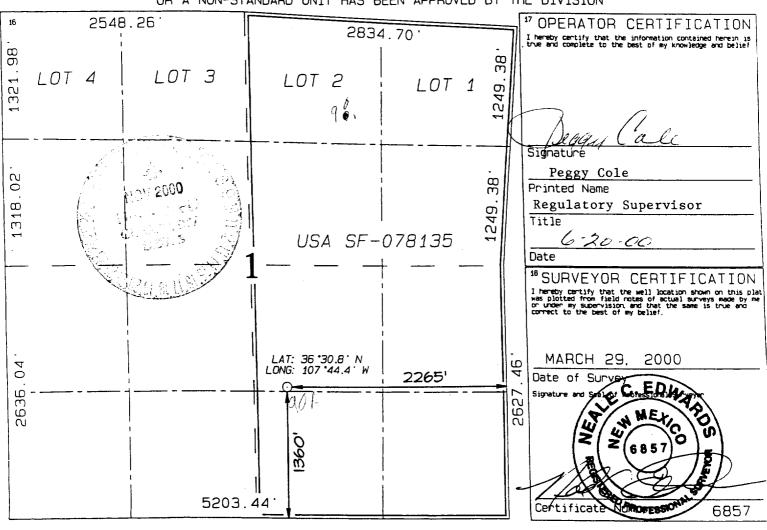
District IV PO Box 2088, Santa Fe, NM B7504-2088

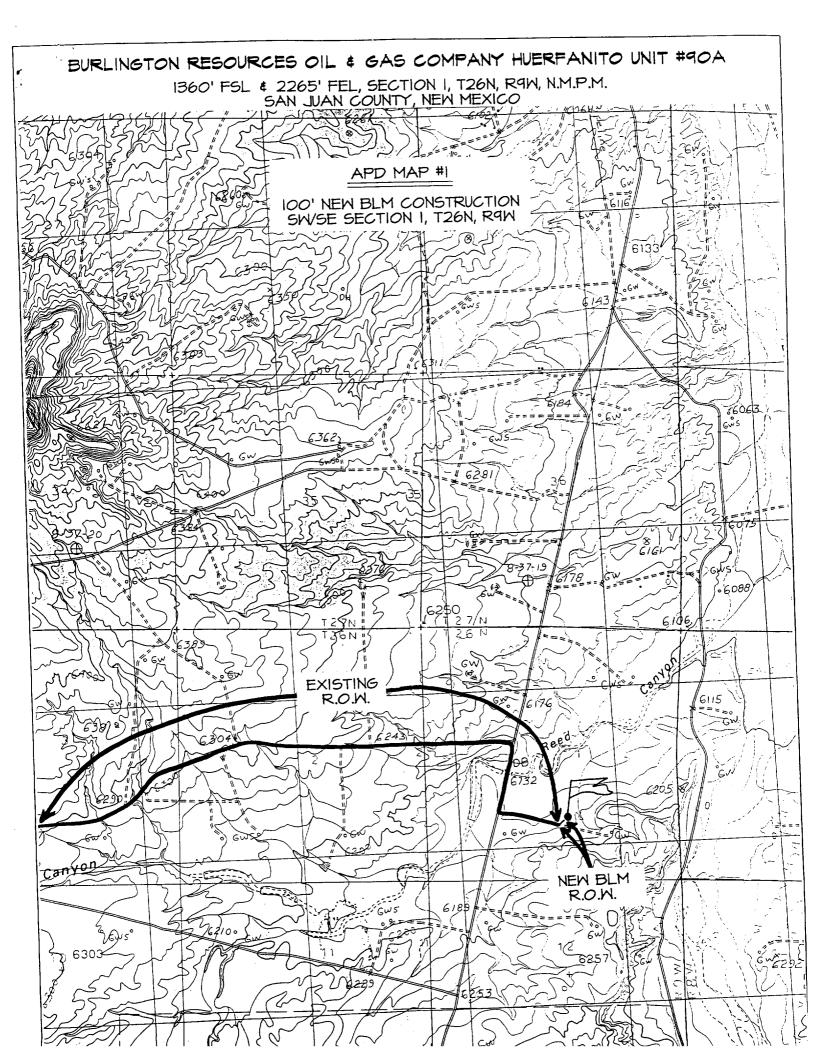
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 'API Number | | | ²Pool Code | | ³Pool Name | | | | | |
|--|---------|----------------|----------------|--|-------------------------|------------------|---------------|----------------|--------------|--|
| 30-045 30309 | | | - 72 | 72319 Blanco Mesaverde | | | | | | |
| 'Property Code | | | | ³Property Name | | | | 6 V | "Well Number | |
| 7138 | | | | HUERFANITO UNIT | | | | | 904 | |
| 'OGRID N | | *Operator Name | | | | | • | *Elevation | | |
| 14538 | | | BURLI | BURLINGTON RESOURCES OIL & GAS COMPANY | | | | | 6163 ·_ | |
| | | | | 1 | ⁰ Surface | Location | | | | |
| UL or lot no. | Section | Township | Range | Lot Ion | Feet from the | North/South line | Feet from the | East/West line | County | |
| J | 1 | 26N | 9W | | 1360 | SOUTH | 2265 | EAST | SAN JUAN | |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Ion | Feet from the | North/South line | Feet from the | East/West line | County | |
| | | 12 | | | (#. | | | | | |
| 12 Dedicated Acres | | 13 Joint or In | fill ** Cons | solidation Code | ⁵⁵ Order No. | | | | | |
| E/320.0 | 6 | | | | | | ····· | _ | | |

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





OPERATIONS PLAN

Well Name:

Huerfanito Unit #90A

Surface Location:

1360'FSL, 2265'FEL, Section 1, T-26-N, R-9-W

San Juan County, New Mexico

Latitude 36° 30.8, Longitude 107° 44.4

Formation:

Blanco Mesa Verde

Elevation:

6163' GL

| Formation Tops: | <u>Top</u> | Bottom | <u>Contents</u> |
|---------------------|------------|--------|-----------------|
| | | 10051 | omii for |
| Surface | San Jose | 1097' | aquifer |
| Ojo Alamo | 1097′ | 1220′ | aquifer |
| Kirtland | 1220' | 1667′ | gas |
| Fruitland | 1667′ | 1907' | gas |
| Pictured Cliffs | 1907' | 2017' | gas |
| Lewis | 2017′ | 2372′ | gas |
| Intermediate TD | 2117' | | |
| Mesa Verde | 2372' | 2802' | gas |
| Chacra | 2802′ | 3462′ | gas |
| Massive Cliff House | 3462′ | 3552' | gas |
| Menefee | 3552′ | 4262' | gas |
| Point Lookout | 4262' | 4549' | gas |
| Mancos | 4549' | 4600′ | · |
| Total Depth | 4600′_ | | |

Logging Program:

Cased hole logging - Gamma Ray, Cement bond from surface to TD Mud Logs/Coring/DST - none

Mud Program:

| Interval- MD | <u>Type</u> | <u>Weight</u> | <u>Vis.</u> | <u>Fluid Loss</u> |
|--------------|-------------|---------------|-------------|-------------------|
| 0- 80' | Spud | 8.4-9.0 | 40-50 | no control |
| 80- 2117' | LSND | 8.4-9.0 | 30-60 | no control |
| 2117- 4600' | Air/Mist | n/a | n/a | n/a |

Pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program (as listed, the equivalent, or better):

Measured

| Hole Size | <u>Depth</u> | <u>Csq Size</u> | <u>Weight</u> | <u>Grade</u> |
|-----------|---------------|-----------------|---------------|--------------|
| 12 1/4" | 0' - 80' | 9 5/8" | 32.3# | H-40 |
| 8 3/4" | 0' - 2117' | 7" | 20.0# | J-55 |
| 6 1/4" | 2017' - 4600~ | 4 1/2" | 10.5# | J-55 |

Tubing Program: 0'-4600' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 2000 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.

BOP Specifications, Wellhead and Tests (cont'd):

Intermediate TD to Total Depth -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

7 1/16" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

9 5/8" x 7" x 2 3/8" x 2000 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 drill crew.
- All BOP tests & drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

9 5/8" surface casing - cement with 64 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (75 cu.ft. of slurry, 200% excess to circulate to surface). WOC 8 hrs. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing -

Lead w/177 sx Class "B" w/3% sodium metasilicate, 7# gilsonite/sx and 0.5# flocele/sx. Tail w/90 sx 50/50 Class "B" Poz w/2% gel, 2% calcium chloride, 7# gilsonite/sx and 0.5# flocele/sx (637 cu.ft. of slurry, 60% excess to circulate to surface.) WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL will be run to determine TOC. Test casing to 1500 psi for 30 minutes.

7" intermediate casing alternative two stage: Stage collar at 1567'. First stage: cement with 57 sx Class "B" cmt with 7 pps gilsonite, 1/2 pps cellophane, 3% sodium metasilicate. Second stage: 354 sx Class "B" with 3% sodium metasilicate, 1/2 pps Cellophane, 7 pps Gilsonite (637 cu.ft., 100% excess to circulate to surface).

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every other joint off bottom, to the base of the Ojo Alamo at 1220'. Two turbolating centralizers at the base of the Ojo Alamo at 1220'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Liner -

Cement to circulate liner top. Pump 256 sx 50/50 Class "B" Poz w/1/4# flocele/sx, 2% gel, 0.1% retardant, 5# gilsonite/sx and 0.4% fluid loss additive (371 cu.ft., 40% excess to circulate liner top). WOC a minimum of 18 hrs prior to completing.

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. The liner hanger will have a rubber packoff.

 If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.

Special Drilling Operations (Air/Mist Drilling):

The following equipment will be operational while gas/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The blooie line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

Additional Information:

- The Mesa Verde formation will be completed.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

Fruitland Coal

800 psi

Pictured Cliffs

800 psi

Mesa Verde

700 psi

- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The east half of Section 1 is dedicated to the Mesa Verde.
- This gas is dedicated.

Drilling Engineer

Date