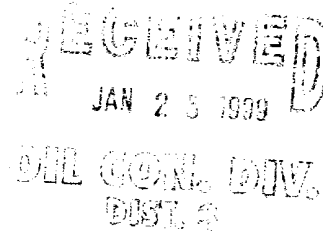




NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 20, 1999



Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Peggy Bradfield

Administrative Order NSL-4198

Dear Ms. Bradfield:

Reference is made to your application dated January 18, 1999 for a non-standard gas well location for the proposed Reese Federal Well No. 1-R to be drilled 1280 feet from the South line and 1210 feet from the East line (Unit P) of Section 17, Township 27 North, Range 9 West, NMPM, to test the Pictured Cliffs formation, San Juan County, New Mexico. The SE/4 of Section 17 shall be dedicated to the well in order to form a standard 160-acre gas spacing and proration unit for the Fulcher Kutz-Pictured Cliffs Pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington

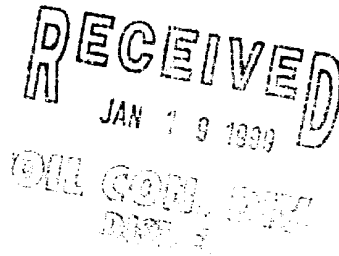
BURLINGTON RESOURCES

SAN JUAN DIVISION

January 18, 1999

Sent Federal Express

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



Re: Reese Federal #1R
1280'FSL, 1210'FEL Section 17, T-27-N, R-9-W, San Juan County, New Mexico
30-045-not assigned

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Fulcher Kutz Pictured Cliffs pool.

This application for the referenced location is at the request of the Bureau of Land Management to avoid as much new surface disturbance as possible (only 200' new road required), rocky ledges which would require cut and fill for the location into solid rock in the SWSE and SESE of the section, the presence of archaeology in the NESE and NWSE, and a pipeline located in the NWSE of the section.

Production from the Fulcher Kutz Pictured Cliffs pool is to be included in 160 acre gas spacing for the southeast quarter (SE/4) in Section 17. This well will be drilled as a replacement for the Reese Federal #1 located at 1650' FSL 1632' FEL Section 17, T-27-N, R-9-W (30-045-06486). The Pictured Cliffs in the Reese Federal #1 was plugged and abandoned October 1990, and the well was recompleted to the Basin Fruitland Coal.

The following attachments are for your review:

- Application for Permit to Drill.
- Completed C-102 at referenced location.
- Offset operators/owners plat.
- 7.5 minute topographic map showing terrain features.

We appreciate your earliest consideration of this application.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peggy Bradfield".

Peggy Bradfield
Regulatory/Compliance Administrator

xc: NMOCD - Aztec District Office
Bureau of Land Management - Farmington

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number NM-011393 Unit Reporting Number	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name Reese Federal 9. Well Number 1R	
4. Location of Well 1280' FSL, 1210' FEL Latitude 36° 34.3, Longitude 107° 48.4	10. Field, Pool, Wildcat Fulcher Kutz PC 11. Sec., Twn, Rge, Mer. (NMPM) Sec 17, T-27-N, R-9-W API # 30-045-	
14. Distance in Miles from Nearest Town 8 miles to Blanco	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1210'		
16. Acres in Lease	17. Acres Assigned to Well SE/4 160	
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 900'		
19. Proposed Depth 2500'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6332' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached	DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"	
24. Authorized by: <u><i>[Signature]</i></u> Regulatory/Compliance Administrator	Date <u>10/11/96</u>	

PERMIT NO. _____ APPROVAL DATE 1/15/99
APPROVED BY *[Signature]* TITLE Accty Team Lead DATE 1/15/99

Archaeological Report to be submitted by Arboles Contract Archaeology
Threatened and Endangered Species Report submitted by Ecosphere dated 9-96
NCTE: This format is issued in lieu of U.S. BLM Form 3160-3

OPERATOR

District I
PO Box 1980, Hobbs, NM 88241-1980
District I
PO Drawer 00, Artesia, NM 88211-0719
District I I
1000 N.W. Brown Rd., Aztec, NM 87410
District IV
PO Box 1088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-1
Revised February 21, 1996
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-	Pool Code 77200	Pool Name Fulcher Kutz Pictured Cliffs
Property Code	Property Name Reese Federal	Well Number 1R
GRID No. 14538	Operator Name Meridian Oil Inc.	Elevation 6332'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	17	27 N	9 W		1280	South	1210	East	S.J.

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 1.60	13 Joint or Infill	14 Commencement 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 5239.08'	5210.04'	17 5212.02'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Peggy Bradfield</u> Printed Name: <u>Peggy Bradfield</u> Title: <u>Regulatory Administrator</u> Date: <u>10/11/96</u>
	RECEIVED JAN 19 1999 OIL CONSERVATION DIVISION		
	5256.24'		

OPERATIONS PLAN

Well Name: Reese Federal #1R
Location: 1280' FSL, 1210' FEL Section 17, T-27-N, R-9-W
 San Juan County, New Mexico
 Latitude 36° 34.3, Longitude 107° 48.4
Formation: Fulcher Kutz Pictured Cliffs
Elevation: 6332' GL

Formation:	Top	Bottom	Contents
Surface	Nacimiento	1342'	
Ojo Alamo	1342'	1468'	aquifer
Kirtland	1468'	2006'	
Fruitland	2006'	2267'	
Pictured Cliffs	2267'		gas
Total Depth	2500'		

Logging Program: Hi Res Ind, Den/Neut, MRL/GR to Total Depth.

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0-120'	Spud	8.4-8.9	40-50	no control
120-2500'	LSND	8.4-9.0	40-60	no control

Casing Program:

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
12 1/4"	0 - 120'	8 5/8"	24.0#	K-55
7 7/8"	0 - 2500'	4 1/2"	10.5#	K-55

Tubing Program: - 2 3/8", 4.7#, J-55 EUE 8rd tbg landed @ 2500'

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 - float shoe on bottom. Three centralizers run every other joint above shoe. Four centralizers run every 3rd joint to the base of the Ojo Alamo @ 1468'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1468'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 8 5/8" x 4 1/2" x 2 3/8" x 11" 2000 psi screw on independent wellhead.

Reese Federal #1R

Cementing:

8 5/8" surface casing - cement with 129 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (149 cu.ft. of slurry, 200% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi for 30 minutes.

4 1/2" production casing - Lead w/496 sx of 65/35 Class "B" Poz w/6% gel, 2% calcium chloride, and 1/4# flocele/sx. Tail w/100 sx Class "B" w/2% calcium chloride (997 cu.ft. of slurry, 75% excess to circulate to surface). WOC 12 hrs. If cement does not circulate to surface, a CBL will be run during completion to determine TOC.

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1 and #2). Prior to drilling out surface casing, test rams to 600 psi/30 min.

Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 2000 psi/15 min.

From surface to TD - choke manifold (Reference Figure #3).

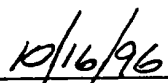
Pipe rams will be actuated to least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

- * The Pictured Cliffs formation will be completed.
- * Anticipated pore pressure for the Pictured Cliffs is 300 psi.
- * This gas is dedicated.
- * The southeast quarter of the section is dedicated to the Pictured Cliffs.
- * New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.



Drilling Engineer



Date

BURLINGTON RESOURCES

Reese Federal #1R
Multi-Point Surface Use Plan

1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
 2. Planned Access Road - Refer to Map No. 1. The required new access road is shown on Map No. 1. The gradient, shoulder, crowning and other design elements will meet or exceed those specified by the responsible government agency. The new access road surface will not exceed twenty feet (20') in width. No additional turnarounds or turnouts will be required. Upon completion of the project, the access road will be adequately drained to control soil erosion. Approximately 200' of access road will be constructed. Pipelines are indicated on Map No. 1A.
 3. Location of Existing Wells - Refer to Map No. 1A.
 4. Location of Existing and/or Proposed Facilities if Well is Productive -
 - a. On the Well Pad - Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad - Anticipated facilities off the well pad will be applied for as required.
 5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from Ten Mile Water Hole #1 located SW Section 17, T-28-N, R-8-W, New Mexico.
 6. Source of Construction Materials - If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
 7. Methods of Handling Waste Materials - All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. Reserve pits will be lined as needed with either 12 mil bio-degradable plastic liner or a bentonite liner. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Generation of hazardous waste is not anticipated. Federal regulations will be adhered to regarding handling and disposal of such waste if so generated.
 8. Ancillary Facilities - None anticipated.
 9. Wellsite Layout - Refer to the location diagram and to the wellsite cut and fill diagram (Figure No. 4). The blow pit will be constructed with a 2'/160' grade to allow positive drainage to the reserve pit and prevent standing liquids in the blow pit.
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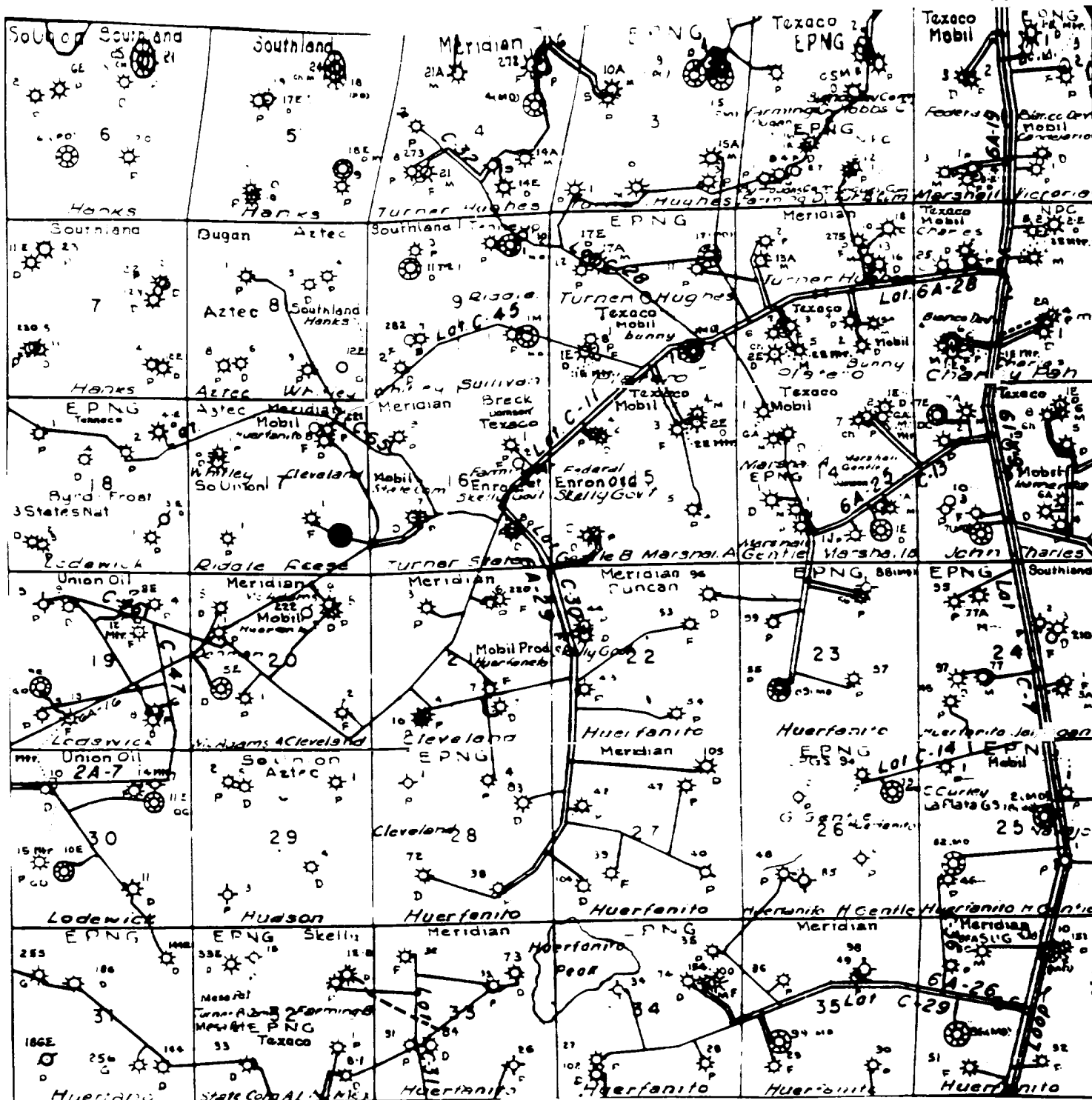
10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
11. Surface Ownership - Bureau of Land Management
12. Other Information - Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
13. Operator's Representative and Certification - Burlington Resources Oil & Gas Company Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Burlington Resources Oil and Gas Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



Regulatory/Compliance Administrator

9/3/96

Date



MERIDIAN OIL INC.
 Pipeline Map
 T-27-N, R-09-W
 San Juan County, New Mexico

ROOSE FEDERAL #1R
 MAP #1A

3/91 adw/mjb

**BURLINGTON
RESOURCES**
REESE FEDERAL # 1R
T27N, R9W
200' NEW CONSTRUCTION

T27N, R9W
Section 17:SESE 200'

APD MAP #1

EXISTING
ROW

STATE
LANDS

NEW BLM
ROW

REESE
FED. #1R

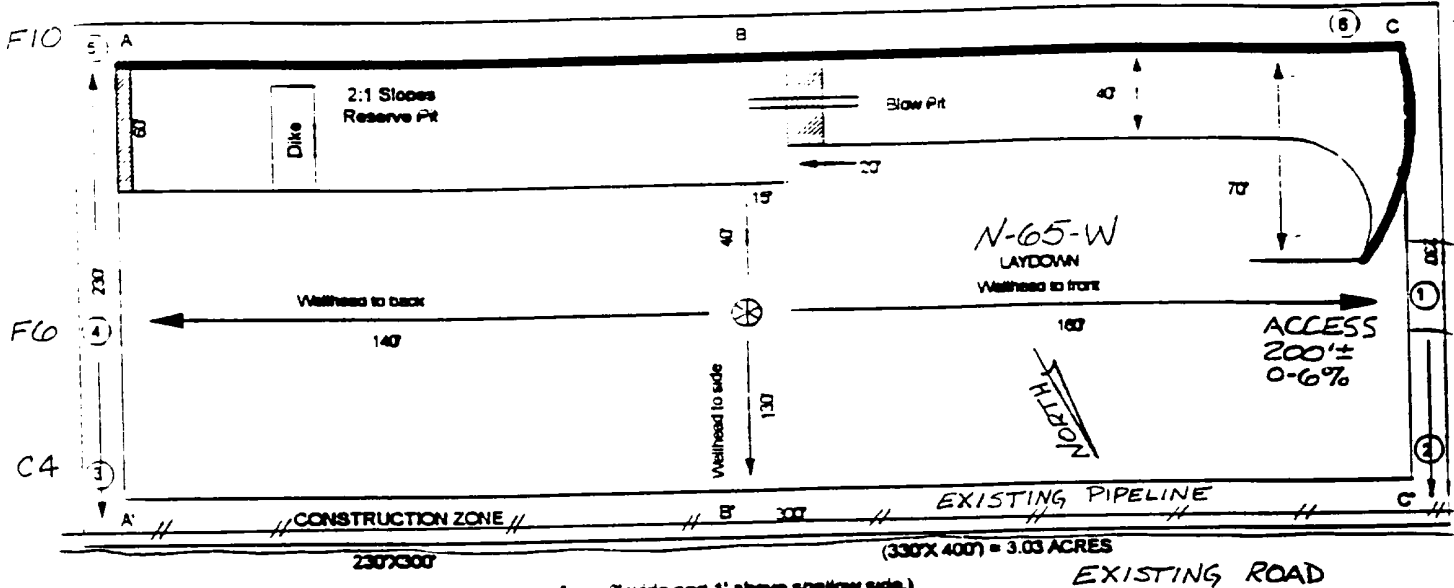
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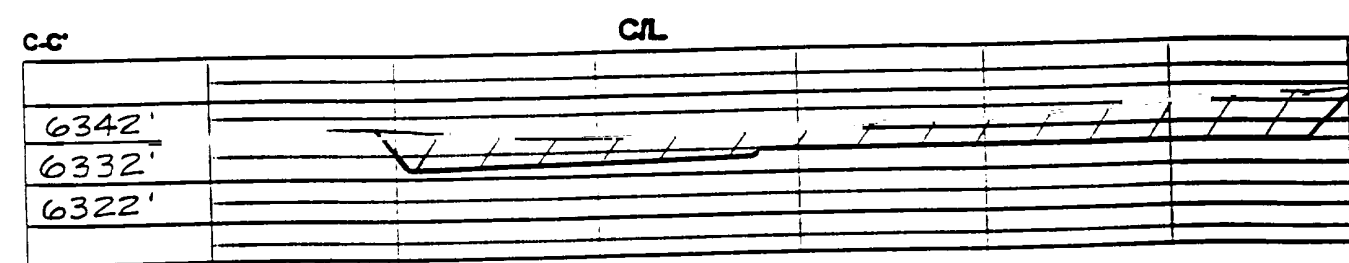
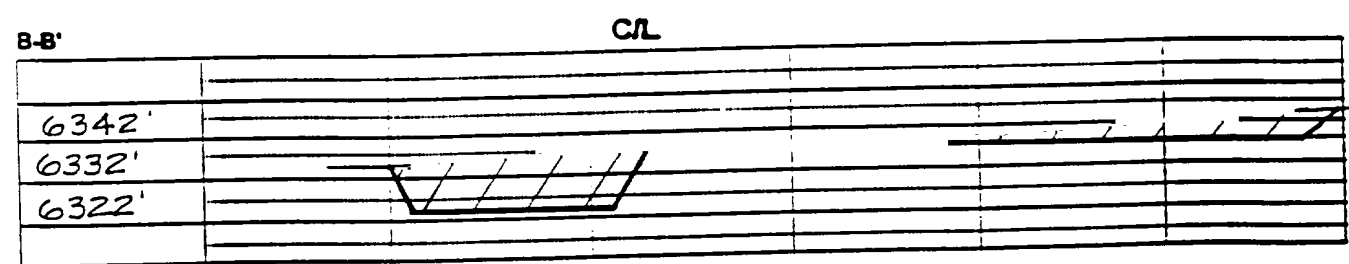
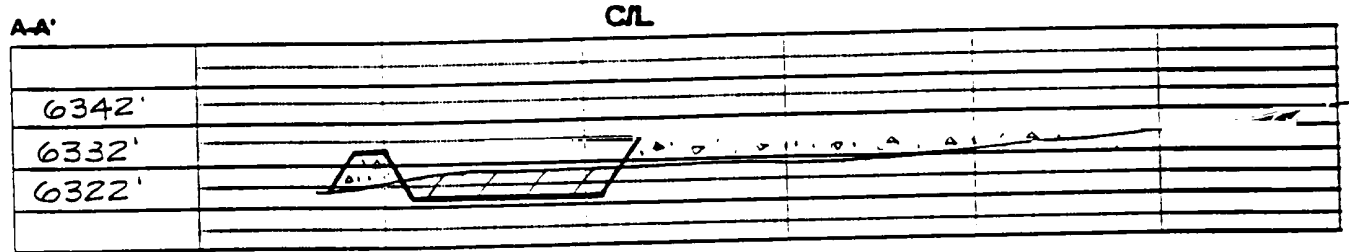
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PLAT #1
PC/FC LOW POTENTIAL

NAME: REESE FEDERAL #1R
FOOTAGE: 1280' FSL, 1210' FEL
SEC 17 TWN 27 N.R. 9 W NMPM
CO: SAN JUAN ST: NEW MEXICO
ELEVATION: 6332' DATE: 7-19-96



Reserve Pit Dike : to be 6" above Dike size; (overflow - 3' wide and 1' above shallow side.)
Blow Pit : overflow pipe halfway between top and bottom and extend over plastic liner and into blow pit.

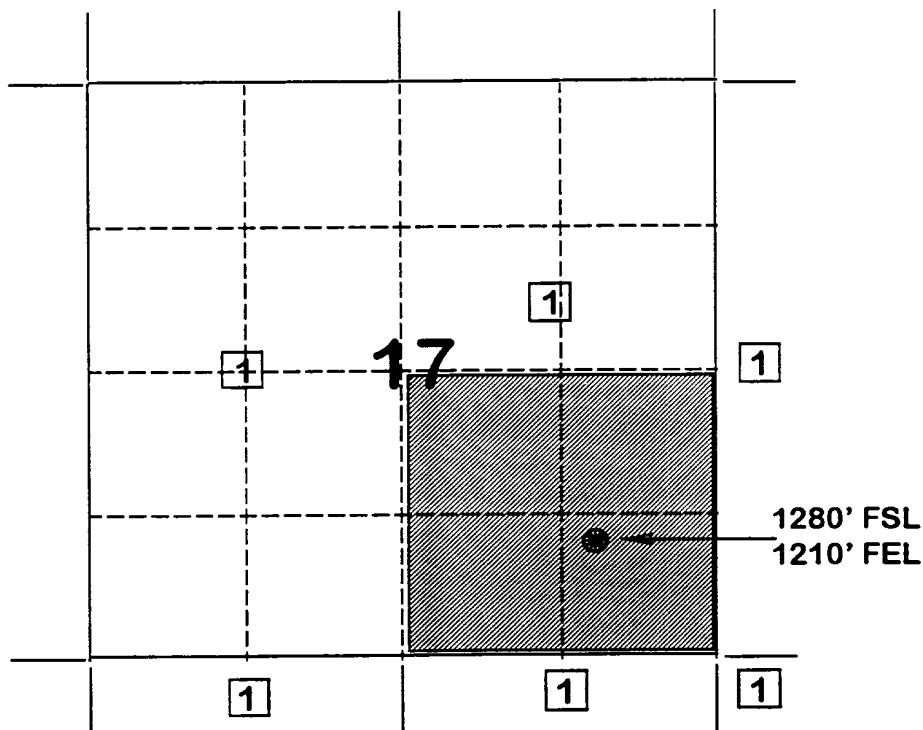


Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least 2 working days prior to construction.

BURLINGTON RESOURCES OIL AND GAS COMPANY

**Reese Federal #1R
OFFSET OPERATOR \ OWNER PLAT
Nonstandard Location
Pictured Cliffs Formation Well**

Township 27 North, Range 9 West



1) Burlington Resources Oil and Gas Company Successor to Meridian Oil Inc.

