UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 5. Lease Number Type of Work 1a. SF-078399 DRILL **Unit Reporting Number** MV - 8910016500 DK - 891001650A 6. If Indian, All. or Tribe Type of Well GAS 7. Unit Agreement Name Operator San Juan 29-7 Unit Oil & Gas Company 8. Farm or Lease Name Address & Phone No. of Operator 3. San Juan 29-7 Unit PO Box 4289, Farmington, NM 87499 9. Well Number 66M (505) 326-9700 10 Field, Pool, Wildcat Location of Well Blanco MV/Basin DK 2065' FNL, 2240' FWL 11. Sec., Twn, Rge, Mer. (NMPM) L Sec. 22, T-29-N, R-7-W Latitude 36° 42.8, Longitude 107° 33.6 Bottom Hole Location: 2000'FNL, 400'FWL -ULE API# 30-039- 26806 13. State 12. County Distance in Miles from Nearest Town 14. Rio Arriba NM 17.6 miles from Blanco Distance from Proposed Location to Nearest Property or Lease Line 15. 20651 17. Acres Assigned to Well 16. **Acres in Lease** 320 W/2 Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 18. 75' 20. Rotary or Cable Tools **Proposed Depth** 19. Rotary TVD: 8056' MD: 8513' 22. Approx. Date Work will Start Elevations (DF, FT, GR, Etc.) 21. 6794' GR DRILLING OPERATIONS AUTHORIZED ARE **Proposed Casing and Cementing Program** 23. See Operations Plan attached a subject to technical small SUBJECT TO COMPLIANCE WITH ATTACHED procedural review pursuant to 43 CFR 3166.3 · "GENERAL REQUIREMENTS" and sopeel pursuant to 43 OFR 3185.4s. Authorized by: 24. Regulatory/Compliance Supervisor APPROVAL DATE PERMIT NO.

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.

HOLD GLOW FOR PINECTURAl SUIVEY

'A

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

DISTRICT II 811 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

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

1000 Rio Brazos Rd., Aztec, N.M. 87410 DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

DISTRICT III

☐ AMENDED REPORT

, Santa	WEL	LOCATION	AND	ACREAGE	DEDICATION	PLAT	
ımber	- /	*Pool Code			*Pool	Name	
26	806	72319/71599			V/Basin DK		• Well Number
e				operty Name	· ·		66M

API N 30-039-⁴ Property Cod 66M SAN JUAN 29-7 UNIT Elevation 7465 OGRID No. Operator Name 6794' BURLINGTON RESOURCES OIL & GAS, INC. 14538

¹⁰ Surface Location County Feet from the Rast/West line North/South line Feet from the Lot Idn Range Township Section RIO ARRIBA UL or lot no. 2240 WEST **NORTH** 2065 7-W 29-N 22 F

Location If Different From Surface 11 Bottom Hole County East/West line Feet from the North/South line Feet from the Lot Idn Range Township Section RIO ARRIBA UL or lot no. 400 WEST **NORTH** 2000 7-W 22 29-N E "Order No. M Consolidation Code Joint or Infill Dedicated Acres MV W/320

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

	OR A NOR		1
FD U.S.G.L.O. S BC. 1913 2	89-38-50 E 694.61' (M)	CALC'D. CORNER FROM W.C. S 89-42 E	I hereby certify to true and con
NMSF-078399	2065	13 14 15 76 70	belief. Signature
BOTTOM HOLE APPX.~ 2000	FNL 400 FWL	NOV 2001 NG. 107-33.6 W.	Peggy Co Printed Nam Regulato
(N) 2240'	892' 455'		Title Date
ш		22	18 SUF
80-00-00 \$	NMSF-078424-B		me or under a and correct to
			Date of Su Signature
CALC'D CORNER			Certificate

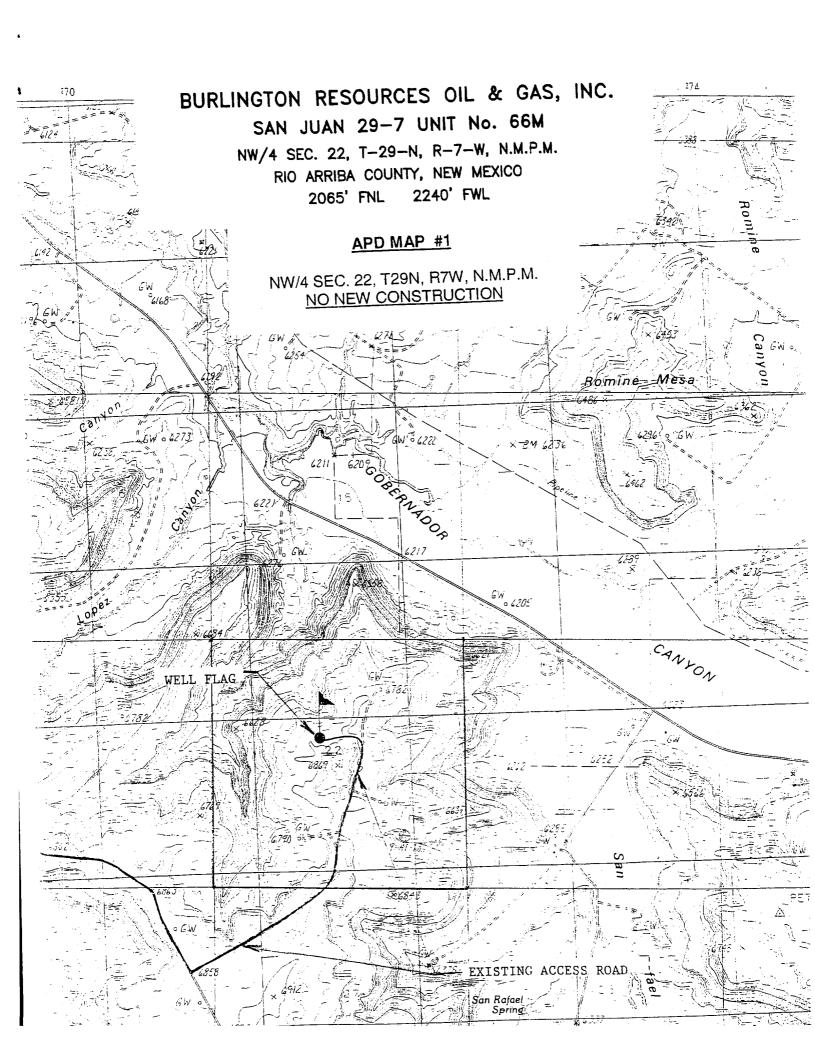
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belief.	-	0	
Sign	DIGIGAT.	Cale	
Peg	gy Cole		
Pri	inted Name		
Reg		upervisor	

9-21-0

SURVEYOR CERTIFICATION

Date of 3 Sypature

8894



OPERATIONS PLAN

Well Name: San Juan 29-7 Unit #66M

Location: 2065'FNL, 2240'FWL, Section 22, T-29-N, R-7-W

Rio Arriba County, New Mexico

Latitude 36° 42.8, Longitude 107° 33.6

Bottom hole Location: 2000'FNL, 400'FWL, Section 22, T-29-N, R-7-W

Formation: Blanco Mesaverde/Basin Dakota

Elevation: 6794'GL

Formation Tops:	Measured Depth	Top True Vertical Depth	Bottom True Vertical Depth	Contents
Surface Ojo Alamo Kirtland Fruitland Pictured Cliffs Lewis Intermediate casing Huerfanito Bentonite Chacra Cliff House Menefee Point Lookout Mancos Gallup Greenhorn Graneros Dakota	San Jose 2970' 3140' 3590' 4042' 4211' 4311' 4678' 5033' 5783' 5883' 6203' 6613' 7478' 8179' 8243' 8289'	San Jose 2656' 2796' 3173' 3591' 3756' 4221' 4576' 5326' 5426' 5746' 6156' 7021' 7722' 7786'	2656' 2796' 3173' 3591' 3756' 4221' 4576' 5326' 5426' 5746' 6156' 7021' 7722' 7786' 7832'	aquifer gas
Total Depth	8513' MD	8056' TVD		345

Logging Program:

Cased hole - CBL-GR - TD to surface

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0- 200'	Spud			no control
0- 4311' MD	Non-dispersed			
4311- 8513' MD	air/mist	n/a	n/a	n/a

Drilling:

Surface:

Drill to surface casing point of 200' and set 9 5/8" casing.

Intermediate:

Mud drill to the kick off point of 400'. At this point, the well will be directionally drilled by building 3.0 degrees per 100' with an azimuth of 272.05 degrees. The end of the build will be at a TVD of 1475.3', a MD of 1542.17', VS of 331.47', and an angle of 34.27 degrees. This angle will be held at an azimuth of 312.4 degrees until 3012.35' TVD, and 3402.02' MD. The angle will then be dropped at 3.0 degrees per 100' to 4210.86' MD, 3756' TVD and 10 degrees. The angle will then be dropped at 2 degrees per 100' at an azimuth of 271.68 until intermediate casing point of 3856' TVD, 4311' MD, and 8 degrees inclination.

Production Hole:

The production hole will be drilled with an air hammer. It will drill out at intermediate casing point and fall at approximately 2 to 3 degrees per 100 feet and be vertical at a TD of 8056' TVD and 8513' TMD.

Materials:

Casing Program:

Hole Size (inches)	Measured Depth (ft)	TVD (ft)	Casing Size (in)	Weight (lbs/ft)	Grade
12 1/4"	200'	200'	9 5/8"	32.3	H-40
8 3/4"	4311'	3856'	7"	20.0	J-55
6 1/4"	8513'	8056'	4 1/2"	10.5	J-55

Casing Equipment:

- 9 5/8" surface casing sawtooth guide shoe.
- 7" intermediate casing cement nose guide shoe on bottom, float collar one joint off bottom. Centralizers spaced as follows: (25) spaced every fourth joint from bottom to surface. Two turbolizing type centralizers, one below and one into the Ojo Alamo at 3140' TMD.
- 4 1/2" production casing float shoe on bottom, float collar, 8513' of 4 1/2" 10.5# J-55 ST&C csg.

Tubing:

8513' of 2 3/8", 4.7#, J-55 8rd EUE tubing with seating nipple one joint off bottom and an expendable check valve on bottom.

Wellhead Equipment:

9 5/8" x 7" x 2 3/8" - 11" (2000 psi) wellhead assembly.

Cementing

- 9 5/8" surface casing cement with 159 sx Class "B" cement with 0.25 pps cellophane and 3% calcium chloride (188 cu.ft. of slurry, 200% excess to circulate to surface). WOC 8 hrs. Test casing to 600 psi for 30 minutes.
- 7" intermediate casing Lead w/458 sx Class "G" 50/50 poz TXI liteweight w/2.5% sodium metasilicate, 2% calcium chloride, 10 pps Gilsonite, 0.5 pps Celloflake. Tail w/90 sx Class "G" 50/50 poz 2% gel, 2% calcium chloride, 5 pps Gilsonite, 0.25 pps Celloflake, 0.1% antifoam (1296 cu.ft. of slurry, 100% 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 during completion operations to determine TOC. Test casing to 1500 psi for 30 minutes.

See attached alternative intermediate lead slurry.

7" intermediate casing alternative two stage: Stage collar 3490'. First stage: cement with w/193 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 0.25 pps Celloflake, 5 pps Gilsonite, 0.1% antifoam. Second stage: cement with 407 sx Class "G" 50/50 poz TXI liteweight w/2.5% sodium metasilicate, 2% calcium chloride, 10 pps Gilsonite, 0.5 pps Cellflake (1295 cu.ft., 100% excess to circulate to surface).

4 1/2" production casing - cement with 429 sx Class "G" 50/50 poz w/5% gel, 0.25% fluid loss, 0.15% dispersant, 5 pps gilsonite, 0.25% Celloflake, 0.15% dispersant, 0.1% retarder, 0.1% antifoam (618 cu.ft.), 40% excess to cement 4 1/2" x 7" overlap). WOC a minimum of 18 hrs prior to completing.

Cement float shoe on bottom with float collar spaced on top of float shoe.

BOP and Tests

Surface to intermediate TD - 11", 3000 psi double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test rams and casing to 700 psi for 30 minutes.

Intermediate TD to Total Depth - 10" nominal, 3000 psi (minimum) double
 gate BOP stack (Reference Figure #1). Prior to drilling out
 intermediate casing, test rams and casing to 1500 psi (minimum) for
 30 minutes.

Surface to Total Depth - choke manifold (Reference Figure #2).

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

Additional Information

- This gas is dedicated.
- The west half of Section 22 is dedicated to the Mesaverde and Dakota of this well.
- New casing will be utilized.
- Pipe movement (reciprocation) will be done if hole conditions permit.

No abnormal pressure zones are expected.

Dwilling Engineer

3/13/01 Date