# JNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

 a.	Type of Work	5. Lease Number
4.	DRILL	5. Lease Number NAME 078919 NMSF- (
	<b></b>	Unit Reporting Number
		8910016500
b.	Type of Well	6. If Indian, All. or Tribe
	GAS	
	Operator	7. Unit Agreement Name
•	RURLINGTON	
	RESOURCES Oil & Gas Company	San Juan 29-7 Unit
	JUL 300	8 Farm or Lease Name
•	Address & Phone No. of Operator	San Juan 29-7 Unit
	PO Box 4289, Farmington, NM 87499	9. Well Number
	(505) 326-9700	11B
	(505) 320-3700	×.y
) <u>.</u>	Location of Well	10. Field, Pool, Wildcat
-	455'FSL, 680'FWL, SWSW	Blanco Mesaverde
		11. Sec., Twn, Rge, Mer. (NMPM)  **M Sec. 3, T-29-N, R-7-W
	Latitude 36° 44.9, Longitude 107° 33.9	/VI Sec. 3, 1-29-N, R-7-N
	Bottom Hole Location: 1780'FSL, 2390'FWL, NESV	√ API# 30-039- 2 /095
	The Miles from Nonroot Tourn	12. County 13. State
14.	Distance in Miles from Nearest Town	Rio Arriba NM
	16.3 miles from Blanco	
15.	Distance from Proposed Location to Nearest Property or Lease L	ine
	455'	17. Acres Assigned to Well
16.	Acres in Lease  DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLANCE WITH ATTACHED	317.83 W/2
	Acres in Lease SUBJECT TO DOMPL ANDE WITH ATTACHED "GENERAL REQUIREMENTS".	
18.	Distance from Proposed Location to Nearest Well, Drlg, Compl.	or Applied for on this Lease
١٥.	This across to accept to technical and procedural review pursuant to 43 CFR 3165.3	
	procedural review pursuant to 43 CFR 3165.4	
19.	Proposed Depth	20. Rotary or Cable Tools
	TVD: 5671', MD: 6376'	Rotary
		22. Approx. Date Work will Start
21.	Elevations (DF, FT, GR, Etc.)	22. Approx. Date Work will State
	6234' GR	
22	Proposed Casing and Cementing Program	
23.	See Operations Plan attached	
	bee operations remained	
		5-13-02
24.	Authorized by: DIGALL CLI	· · · · · · · · · · · · · · · · · · ·
	Regulatory/Compliance Supervisor	Date
		DATE
PERI	MIT NO APPROVAL I	DATE

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 C104 FOR DIVECTIONAL SUNVEY

DISTRICT I P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office

P.O. Drawer DD, Artesia, N.M. 88211-0719

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, NM 87504-2088

State Lease — 4 Copies Fee Lease — 3 Copies

1000 Rio Brozos Rd., Aztec, N.M. 87410 DISTRICT IV PO Box 2088, Santa Fe, NM 87504-2088

Section

3

UL or lot no.

Township

29-N

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

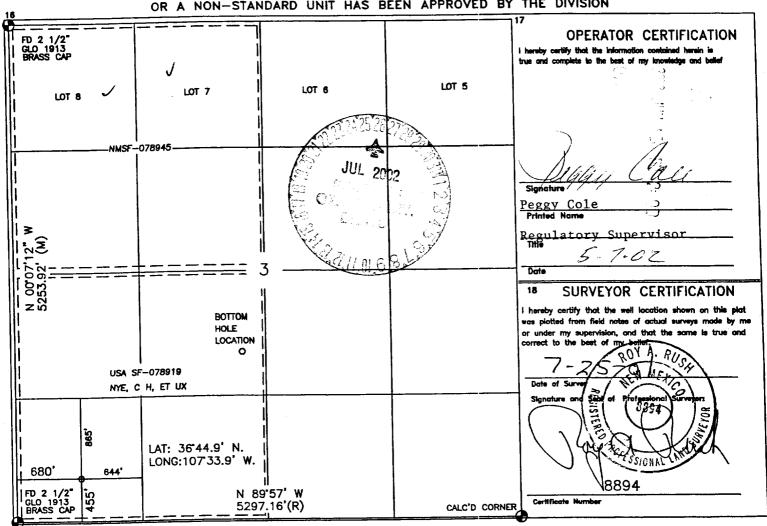
<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name	1
30-039- 27035	72319	Blanco Mesaverde	
Property Code 7465		Property Name NN 29-7 UNIT	* Well Number 11B
OGRID No.		Operator Name OURCES OIL & GAS INC.	<sup>9</sup> Elevation 6234

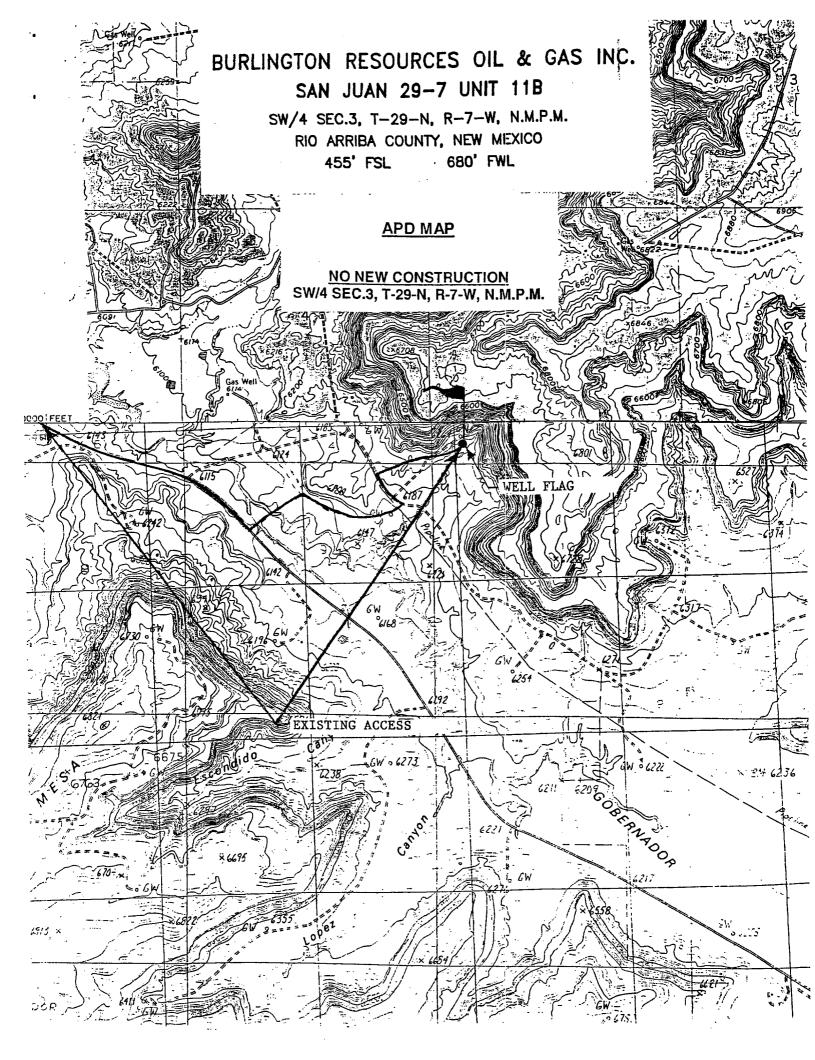
East/West line Feet from the North/South ilne Feet from the County Lot idn Range RIO ARRIBA 7-W SOUTH 680 WEST 455

M 11 Bottom Hole Location If Different From Surface Feet from the East/West line North/South line Lot Idn Feet from the County UL or lot no. Section Township Ronge 2390 WEST RIO ARRIBA 7-W SOUTH 29-N 1780 3 15 Order No. 13 Joint or Infill 14 Consolidation Code <sup>2</sup> Dedicated Acres

<sup>10</sup> Surface Location

MV - W/317.83NO 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: San Juan 29-7 Unit #11B

Location: 455'FSL, 680'FWL, Section 3, T-29-N, R-7-W

Rio Arriba County, New Mexico

Latitude 360 44.9, Longitude 1070 33.9

Bottom hole Location: 1780'FSL, 2390'FWL, Section 3, T-29-N, R-7-W

Formation: Blanco Mesaverde

Elevation: 6234 GL

Formation Tops:	Measured Depth	Top True Vertical Depth	Bottom True Vertical Depth	Contents
Surface	San Jose	San Jose	2116'	
Ojo Alamo	25081	2116 <b>′</b>	2266 <b>′</b>	aquifer
Kirtland	2715'	2266 <b>′</b>	2616 <b>′</b>	gas
Fruitland	3215 <b>'</b>	2616 <b>′</b>	3081 <b>′</b>	gas
Pictured Cliffs	3764'	3081 <b>′</b>	3186 <b>′</b>	gas
Lewis	י979	3186 <b>′</b>	3816 <b>′</b>	gas
Intermediate casing	4138'	3436'		
Huerfanito Bentonite	4520'	3816 <b>′</b>	4101'	gas
Chacra	4805'	4101'	4836 <b>′</b>	gas
Cliff House	5540'	4836 <b>′</b>	4936 <b>'</b>	gas
Menefee	5640 <b>′</b>	4936'	5271 <b>′</b>	gas
Point Lookout	5975 <b>′</b>	5271 <b>′</b>	5671 <b>′</b>	gas
Total Depth	6376' MD	5671' TVD		

# Logging Program:

Cased hole - CBL-GR - TD to surface

### Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0- 200'	Spud	8.4-8.9	40-50	no control
0- 4138' MD	Non-dispersed			
4138- 6327' 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 300'. At this point, the well will be directionally drilled by building 3.5 degrees per 100' with an azimuth of 53 degrees. The end of the build will be at a TVD of 1450', a MD of 1575, VS of 472', and an angle of 45 degrees. This angle will be held at an azimuth of 53 degrees until 2570' TVD, and 3148' MD. The angle will then be dropped at 3.5 degrees per 100' at an azimuth of 53 degrees until intermediate casing point of 3436' TVD, 4138' MD, and 10 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 5671' TVD and 6376' 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"	4138'	3436'	7"	20.0	J-55
6 1/4"	6376'	5671'	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 2593' TMD.

4 1/2" production casing - float shoe on bottom, float collar, 6327' of 4 1/2" 10.5# J-55 ST&C csg.

#### Tubing:

6327' 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 134 sx Type III cement with 0.25 pps cellophane and 2% 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/380 sx Premium Lite cement w/3% calcium chloride, 0.25 pps
Flocele, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate. Tail
w/90 sx Type III cement w/1% calcium chloride, 0.25 pps Flocele, 0.2%
fluid loss (933 cu.ft. of slurry, 50% 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 3115'. First stage: lead with w/50 sx Premium Lite cement w/3% calcium chloride, 0.25 pps Flocele, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate. Tailed w/90 sx Type III cement w/1% calcium chloride, 0,25 pps Flocele, 0.2% fluid loss. Second stage: cement with 330 sx Premium Lite cement w/3% calcium chloride, 0.25 pps Flocele, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (933 cu.ft., 50% excess to circulate to surface).

4 1/2" production casing - cement with 411 sx Premium Lite HS FM cement w/0.3% CD-32, 6.25 pps LCM-1, 0.25% Flocele, 0.1% fluid loss (335 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", 2000 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, 2000 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:

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

300 psi Fruitland Coal 600 psi Pictured Cliffs Mesa Verde 700 psi

- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The west half of Section 3 is dedicated to the Mesaverde in this well.
- This gas is dedicated.

renvan

Drilling Engineer

5/13/2007