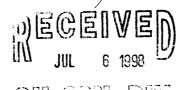


NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

June 29, 1998

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



Administrative Order NSL-4073

Dear Ms. Bradfield:

Reference is made to your application dated June 9, 1998 for an exception to the well location requirements provided within the "Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987, for Burlington Resources Oil & Gas Company's ("Burlington") proposed San Juan "30-6" Unit Well No. 27-A (API No. 30-039-25850) to be drilled at an unorthodox gas well location in both the Blanco-Mesaverde and Basin-Dakota Pools 795 feet from the South line and 1950 feet from the East line (Unit O) of Section 23, Township 30 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

Gas production from the Blanco-Mesaverde Pool is to be included in an existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 23, which is currently dedicated to Burlington's San Juan "30-6" Unit Well No. 27 (API No. 30-039-07806), located at a standard gas well location 1750 feet from the North line and 790 feet from the East line (Unit H) of Section 23.

The E/2 of Section 23, being a standard 320-acre gas spacing and proration unit for the Basin Dakota Pool, is also to be dedicated to the proposed San Juan "30-6" Unit Well No. 27-A.

The application has been duly filed under the provisions of Rules 104.F and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Blanco-Mesaverde "infill" gas well location and Basin-Dakota gas well location for the San Juan "30-6" Unit Well No. 27-A is hereby approved. Both of the aforementioned San Juan "30-6" Unit Well Nos. 27 and 27-A and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely

Lori Wrotenberv

Director

LW/MES/kv

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

otenberi

BURLINGTON RESOURCES

SAN JUAN DIVISION

June 9, 1998

HAND DELIVERED

Ms. Lori Wrotenbery, Director New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe. New Mexico 87505 DECEIVED

OIL CON. DIV.

Re:

San Juan 30-6 Unit #27A

795'FSL, 1950'FEL, Section 23, T-30-N, R-6-W, Rio Arriba County, NM

30-039-not assigned

Dear Ms. Wrotenbery:

Burlington Resources is applying for acministrative approval of an unorthodox gas well location for the Blanco Mesa Verde and Basin Cakota pools. This application for the referenced location is for topographic and archaeological reasons.

Production from the Blanco Mesa Verde pool is to be included in a standard 320 acre gas spacing and proration unit comprising of the east half (E/2) of Section 23 which is currently dedicated to the San Juan 30-6 Unit #27 (30-039-07806) located at 1750'FNL, 790'FEL of Section 23. Production from the Basin Dakota is to be included in a standard 320 acre gas spacing and proration unit comprising of the east half (E/2) of Section 23.

The following attachments are for your review:

Application for Permit to Drill.

2. Completed C-102 at referenced location.

Offset operators/owners plat.

4. 7.5 minute topographic map, and enlargement of the map to define topographic features.

We appreciate your earliest consideration of this application.

Sincerely.

Peggy Bradfield

Regulatory/Compliance Administrator

XC:

NMOCD - Aztec District Office

Bureau of Land Management - Farmington District Office

IJNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

	APPLICATI	ION FOR PERIMIT TO DRILL, DI	EEPEN, OR PLUG BACK
1a.	Type of Work DRILL	D.PARK	5. Lease Number SF-078741 Unit Reporting Number
1b.	Type of Well GAS	DECEIV N. Jun 9 199	6. If Indian, All. or Tribe
2.	Operator BURLINGTON RESOURCES	OII & Gas Company 1871. 3	7. Unit Agreement Name San Juan 30-6 Unit
3.	Address & Phone No. of Op PO Box 4289, Farm (505) 326-9700		8. Farm or Lease Name San Juan 30-6 Unit 9. Well Number 27A
4.	Location of Well 795'FSL, 1950'FEL	•	10. Field, Pool, Wildcat Blanco MV/Basin Dk 11. Sec., Twn, Rge, Mer. (NMPM)
	Latitude 36 ⁰ 47.6,	Longitude 107 ^o 25.8	Sec 23,T-30-N,R-6-W API# 30-039-
14.	Distance in Miles from Nea 8 miles to Gobernad		12. County 13. State RA NM
15.	Distance from Proposed Lo	cation to Nearest Property or Leas	e Line
16.	Acres in Lease		17. Acres Assigned to Well 320 E/2
18.	Distance from Proposed Lo	cation to Nearest Well, Drig, Com	pl, or Applied for on this Lease
19.	Proposed Depth 8006'		20. Rotary or Cable Tools Rotary
21.	Elevations (DF, FT, GR, Etc 6556' GR	:.)	22. Approx. Date Work will Start
23.	Proposed Casing and Cerne See Operations Pl	lan attached	
24.	Authorized by: Regulation	Shad held cory/Compliance Administra	1/16/98 Date
PERMI	T NO.	APPROV	AL DATE
APPRO	VED BY	TITLE	DATE

Archaeological Report submitted

Threatened and Endangered Species Report submitted

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

O:strict I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer OD. Artesia. NM 88211-0719

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

District IV PO Box 2088. 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-10: Revised February 21, 199 Instructions on pac

Submit to Appropriate District Offic.
State Lease - 4 Copie.
Fee Lease - 3 Copie.

AMENDED REPORT

			WELL L	LOCATI	ON AND A	CREAGE DED	ICAT	TION PL	.AT		
30-03	r	1	Pool Code	e	Pool Name Blanco Mesaverde				<u>-</u>		
*Property Code 7469		Property SAN JUAN 3			ty Name				'Well Number 27A		
'OGRID No. 14538			*Operator BURLINGTON RESOURCES							'Elevation 6556	
				1	^o Sunface	Location					·
OL or lot no.					South 11re	Cast III				RIO ARRIBA	
UL or lat no.	Section	11 BC			ocation I	f Different		om Surf	ace		
	Section		Range	Lot Ion	feet from the	NOTER/South line	Fee	et from the	East/We	est line	County
E/320	1.	Usine or Infi	11 14 Coreo11	dation Code	¹⁵ Order No.		!				<u> </u>
	ABLE W	ILL BE AS	SSIGNED	TO THI	S COMPLETI	ON UNTIL ALL EN APPROVED	INT	ERESTS +	AVE BE	EN CON	SOLIDATED
	COL TUN	1998 1998 1. DOV.)	23		78741	5280.00	Signature Peagy Printed Regula Title Date 18 SURVI	Brad Name tory 2// EYOR ify that the ron field no coerts of my	Admin CERTIF well locator or of actual ref or actual ref or actual ref or actual ref or actual	ISTRATION FICATION FINANCE OF THE SERVEYS MAGE BY SERVEYS MA
	-		527	2.08	795.	1950		DEC Date of Signature are Centification		MEXICO BEST	7400S

OPERATIONS PLAN

Well Name: San Juan 30-6 Unit #27A

Location: 795'FSL, 1950'FEL Sec 23, T-30-N, R-6-W

Rio Arriba County, NM

Latitude 36° 47.6, Longitude 107° 25.8

Formation: Blanco Mesa Verde/Basin Dakota

Elevation: 6556'GL

Formation Tops:	Top	Bottom	Contents
Surface	San Jose	2618'	
Ojo Alamo	2618'	3038'	aquifer
Fruitland	3038'	3418'	gas
Pictured Cliffs	3418'	3568'	gas
Lewis	3568'	4188'	gas
Intermediate TD	3668'		
Huerfanito Bentonite	4188'	4538'	gas
Chacra	4538'	5368'	
Massive Cliff House	5368'	5408'	gas
Menefee	5408'	5688'	gas
Massive Point Lookout	5 688'	6778'	gas
Gallup	6778 <i>'</i>	7693′	gas
Greenhorn	7693'	7763'	gas
Dakota	7763 <i>1</i>		gas
TD (5 1/2"liner)	8006'		

Logging Program:

Cased hole - CBL - TD to 200' above TOC, GR/CNL across MV/Dk

Mud Program:

<u>Interval</u>	Type	<u>Weight</u>	<u>Vis.</u>	Fluid Loss
0- 200'	Spud	8.4-9.0	40-50	no control
200-3668'	LSND	8.4-9.0	30-60	no control
3668-80061	Gas	n/a	n/a	7/a

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

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

<u> Hole Size</u>	Depth Interval	<u>Csq.Size</u>	Wt.	<u>Grade</u>
12 1/4"	0' - 200'	9 5/8"	32.3#	WC-50
8 3/4"	0' - 3668'	7"	20.0#	J-55
6 1/4"	3568' - 8006'	5 1/2"	15.5#	K-55 flush joint

A variance is requested from Onshore Order #2, III, B. The casing collar clearance in the 5 1/2" flushjoint/6 1/4" hole will be 0.375", a 0.047" variance.

Tubing Program:

0' - 8006' 2 3/8" 4.70# EUE

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.

Intermediate TD to Total Depth -

11" 2000 psi minimum couble 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 3000 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 drilling crew.
- All BOP tests and 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 163 sx Class "B" cement with 1/4# flocele/sx 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.

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

7" intermediate casing -

Lead w/297 sx Class 'B" w/3% metasilicate, 10# gilsonite/sx and 1/2# flocele/sx. Tail w/90 sx 50/50 Class "B" Poz w/2% calcium chloride, 2% gel, 1/2# flocele/sx, 10# gilsonite/sx (965 cu.ft. of slurry, 75% 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.

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 3038'. Two turbolating centralizers at the base of the Ojo Alamo at 3038'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

5 1/2" Production Line: -

Cement to cover minimum of 100' of 5 1/2" x 7" overlap. Cement with 225 sx 50/50 Class "B" Poz with 2% gel, 1/4# flocele/sx, 5# gilsonite/sx, and 0.4% fluid loss additive (299 cu.ft., 40% excess to cement 5 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 shoe joint.

Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. Instead, a long string of 5 1/2" casing will be run and cemented with a minimum of 100' of cement overlap between the 5 1/2" x 7" casing strings. After completion of the well, a 5 1/2" CIBP will be set above the last fracturing job to cut and pull the 5 1/2" casing above the 7" casing shoe. The 5 1/2" bridge plug will then be milled and the two strings of tubing will be run for a dual completion.

<u>Special Drilling Operations (Gas/Mist Drilling):</u>

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.
- Deduster equipment will be utilized.
- 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 Dakota and Mesa Verde formations will be completed and dualled.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

Fruitland Coal 300 psi Pictured Cliffs 500 psi Mesa Verde 700 psi Dakota

3000 psi

• Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.

The east half is dedicated to the Mesa Verde and Dakota in this well.

This gas is fled cared.

Drilling Engineer

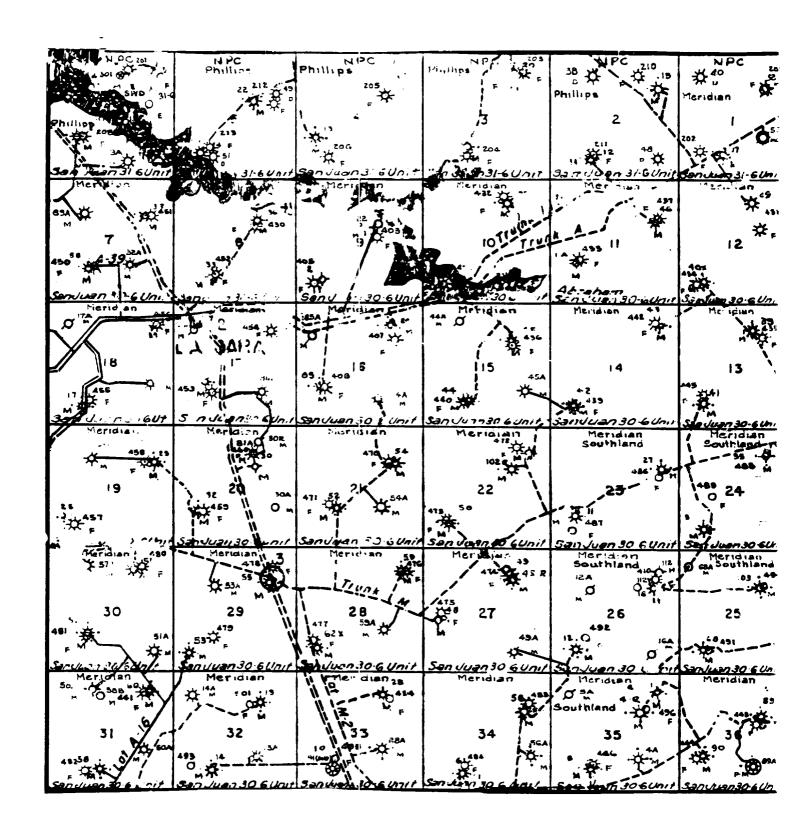


San Juan 30-6 Unit #27A Multi-Point Surface Use Plan

- 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.
- 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 2800' 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 Froposed 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 pipeline facilities as shown on the attached plat from Williams Field Service.
- 5. Location and Type of Water Supply Water will be hauled by truck for the proposed project and will be obtained from Rosa Road Water Hole located in SW/4 Section 11,T-30-N,R-6-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 guarry.
- 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.

- 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 Date



MERIDIAN OIL INC.
Pipeline Map
T-30-N, R-06-W
San Juan County, New Mexico
San Juan 30-6 Unit #27A
Map 1A

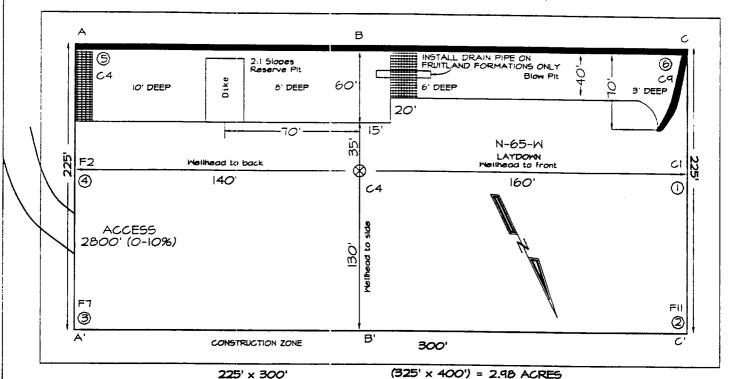
PLAT #1

BURLINGTON RESOURCES OIL & GAS COMPANY

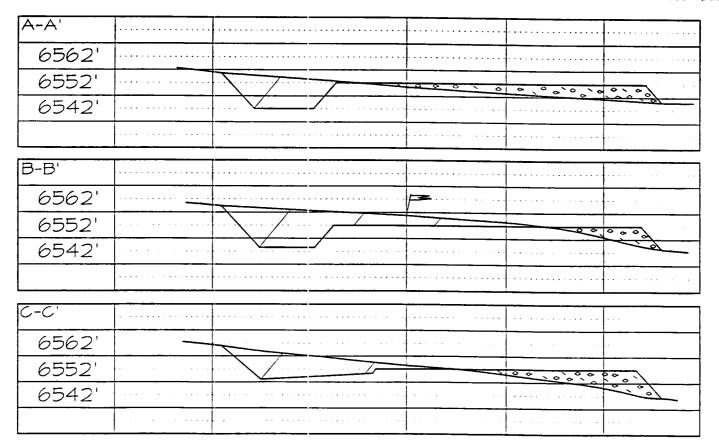
SAN JUAN 30-6 UNIT #27A, 795' FSL & 1950' FEL

SECTION 23, T30N, R6W, NMPM, RIO ARRIBA COUNTY, NEW MEXICO

GROUND ELEVATION: 6556' DATE: DECEMBER 15, 1997



Reserve Pit Dike: to be 8' above Deep side (cverflow - 3' wide and 1' above shallow side). Blow Pit: overflow pipe halfway between top and bottom and to extend over plastic liner and into blow pit



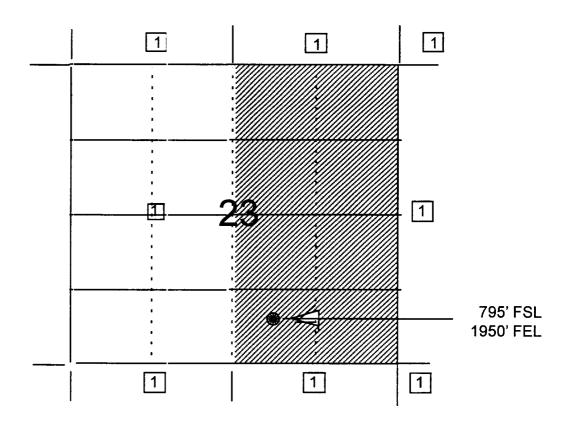
Note: Contractor should call One—Call for location of any marked or unmarked buried pipelines or cable on well pad and/or access road at least two (2) working days prior to construction

BURLINGTON RESOURCES OIL AND GAS COMPANY

San Juan 30-6 Unit #27A OFFSET OPERATOR \ OWNER PLAT Non Standard Location

Mesaverde/Dakota Formations Well

Township 30 North, Range 6 West



1) Burlington Resources

