UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

	Type of Work DRILL	5. Lease Number SF-079074 Unit Reporting Number MV-8910005380 6. If Indian, All. or Tribe			
b.	Type of Well GAS				
2.	Operator BURLINGTON	7. Unit Agreement Name			
	RESOURCES Oil & Gas Compar	San Juan 30-6 Unit			
3.	Address & Phone No. of Operator PO Box 4289, Farmington, NM 8749	8. Farm or Lease Name San Juan 30-6 Unit 9. Well Number			
	(505) 326-9700	38M			
4.	Location of Well 1655' FSL, 1975' FWL Latitude 36 ^o 46.9, Longitude 107 ^o	10. Field, Pool, Wildcat Blanco MV/Basin DK 11. Sec., Twn, Rge, Mer. (NMPM) K Sec. 27, T-30-N, R-7- API # 30-039- 26899			
14.	Distance in Miles from Nearest Town 7 miles from Navajo City	12. County 13. State Rio Arriba NM			
15.	Distance from Proposed Location to Nearest P	roperty or Lease Line			
16.	1655' Acres in Lease	17. Acres Assigned to Well 320 W/2			
18.	Distance from Proposed Location to Nearest W	fell, Drlg, Compl, or Applied for on this Lease			
19.	Proposed Depth procedural review purs and appeal pursuant to	9866 16 43 OFR 3186, 30. Rotary or Cable Tools 43 OFR 3165.4. Rotary			
21.	Elevations (DF, FT, GR, Etc.) 6887' GR	22. Approx. Date Work will Start			
23.	Proposed Casing and Cementing Program See Operations Plan attached	SUBJECT TO COMPAGNICE WITH ATTACHED			
24.	Authorized by:	//-/6-0 Supervisor 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.

District I PO 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

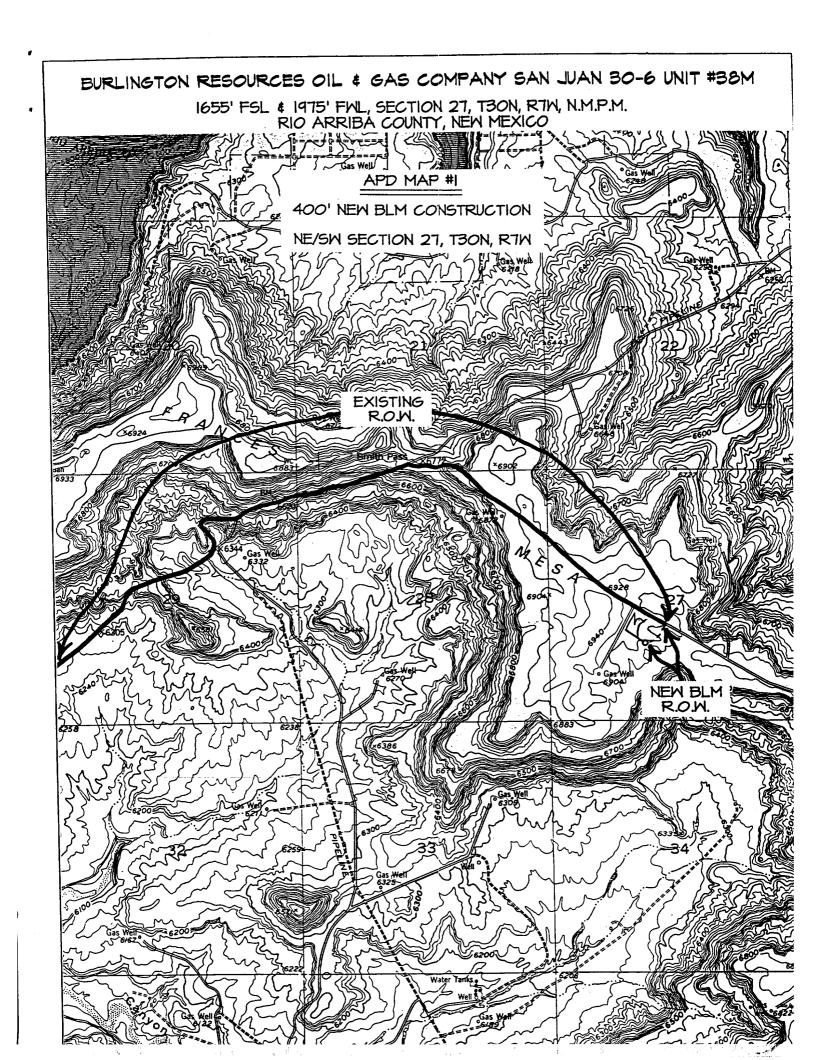
District II PO Drawer DD, Artesia, NM 88211-0719

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

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

AMENDED REPORT

Box 2088, 5	ianta Fe, M								
			WELL	LOCATI	ON AND AC	REAGE DEDI			
¹A	PI Number	700		*Pool Cod	е		Pool Nam		
30-039-	(6)	577	72319	9/71599	Blan Property	co Mesaverde	/Basin Dako	ta	Well Number
*Property	Code			S	AN JUAN 3				38M
7469	No.				Operator				*Elevation
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14538						Location			
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	line County
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Oedicated Acre MV-W/32					¹³ Joint or Infill	^{3d} Consolidation Code	²⁵ Order No.	•	
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OPERATIONS PLAN

Well Name: San Juan 30-6 Unit #38M

Location: 1655'FSL, 1975'FWL, Section 27, T-30-N, R-7-W

Rio Arriba County, New Mexico

Latitude 36° 46.9, Longitude 107° 33.6

Formation: Blanco Mesa Verde/Basin Dakota

Elevation: 6887'GL

Formation Tops:	<u>Top</u>	Bottom	<u>Contents</u>
		07544	
Surface	San Jose	2754'	
Ojo Alamo	2754 ′	2954'	aquifer
Kirtland	2954 '	3309'	
Fruitland	3309'	3784'	gas
Pictured Cliffs	3784'	3929'	gas
Lewis	3929 '	4474′	gas
Intermediate TD	4029'		
Huerfanito Bentonite	4474'	4809 '	gas
Chacra	4809'	5589'	gas
Cliff House	5589 ′	5649 '	
Menefee	5649 ′	5974 '	gas
Point Lookout	5974'	6359 ′	gas
Mancos	6359 '	7239 '	gas
Gallup	7239 '	7969 '	gas
Greenhorn	7969'	8024'	gas
Graneros	8024'	8094'	gas
Dakota	8094 ′		gas
TD	8274'		

Logging Program:

Mud logs - none

Open hole - Array Induction - intermediate TD to TD;

CDL-CNL - intermediate TD to TD'

Cased hole - CBL-CCL-GR - TD to surface

Cores - none

Mud Program:

•	11091				
	Interval	Type			Fluid Loss
	0- 200'	Spud	8.4-9.0	40-50	no control
	200- 4029'	LSND	8.4-9.0	30-60	no control
	4029- 82741	Air/N2	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):

Hole Size	Depth Interval	Csg.Size	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 200'	9 5/8"	32.3#	WC-50
8 3/4"	0' - 4029'	יי 7	20.0#	J-55
6 1/4"	3929' - 8274'	4 1/2"	10.5#	K-55

Tubing Program:

0' - 8274' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 3000 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" 3000 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, 3000 psi minimum choke manifold (Reference Figure #2).

Completion Operations -

7 1/16" 3000 psi double gate BOP stack (Reference Figure #3). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

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 159 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (188 cu.ft. of slurry, 200% excess to Test casing to 600 psi for 30 circulate to surface). WOC 8 hrs. minutes.

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

7" intermediate casing -

Lead w/425 sx 50/50 Class "G" TXI Liteweight cement with 2% calcium chloride, 2.5% sodium metasilicate, 10 pps Gilsonite and 0.5 pps Celloflake. Tail w/90 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 5 pps Gilsonite, 0.25 pps Celloflake (1211 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 3209'. First stage: cement with w/193 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 5 pps gilsonite, 0.25 pps Celloflake. Second stage: 374 sx 50/50 Class "G"/TXI Liteweight with 2% calcium chloride, 2.5% sodium metasilicate, 10 pps Gilsonite, 0.25 pps Celloflake (1211 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 2954'. Two turbolating centralizers at the base of the Ojo Alamo at 2954'. 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 cover minimum of 100' of 4 1/2" x 7" overlap. Lead with 433 sx 50/50 Class "G" Poz with 5% gel, 0.25 pps Celloflake, 5 pps Gilsonite (624 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.

Page Three

Operations Plan - San Juan 30-6 Unit #38M

If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. In its place, a long string of 4 1/2" casing will be run and cemented with a minimum of 100' of cement overlap between the 4 1/2" x 7" casing strings. After completion of the well, a 4 1/2" retrievable bridge plug will be set below the top of cement in the 4 $1/2" \times 7"$ overlap. The 4 1/2" casing will then be backed off above the top of cement in the 4 1/2" x 7"overlap and laid down. The 4~1/2'' bridge plug will then be retrieved and the production tubing will be run to produce the well.

 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 (Gas/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.
- 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 Mesaverde and Dakota formations will be completed and commingled.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

300 psi Fruitland Coal 600 psi Pictured Cliffs 700 psi Mesa Verde 2500 psi Dakota

- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The west half of Section 27 is dedicated to the Mesaverde and Dakota in this well.
- This gas is dedicated.

11/21/01 Date 8. Shut hennan Drilling Engineer