

DATE IN 2/13/09	SUSPENSE	ENGINEER D. Brooks	LOGGED IN 2/13/09	TYPE NSL	APP NO. PKAA0904461168
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2009 FEB 13 PM 12:11
1220 South St. Francis Drive, Santa Fe, NM 87505



30-039-30438
San Juan 27-4 139N

Burlington
14538

ADMINISTRATIVE APPLICATION CHECKLIST

6006

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☐ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Patsy Clugston

Print or Type Name

Signature

Patsy Clugston

Sr. Regulatory Specialist

Title

clugspl@conocophillips.com

e-mail Address

2/12/09

Date

Burlington Resources Oil & Gas Company, LP

P.O. Box 4289

Farmington, NM 87499

Sent Federal Express

February 12, 2009

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: San Juan 27-4 #139N
Surface Location - Unit B, 110 FNL & 1700' FEL, Sec. 9, T27N, R4W
Bottomhole location - Unit B, 514' FNL & 456' FEL, Sec. 9, T27N, R4W
Rio Arriba Co, NM
API- 30-039-30438

Dear Sirs:

Burlington Resources has drilled the subject well at the reference surface location as a Basin Dakota and Blanco Mesaverde commingled well and we are applying for administrative approval of an unorthodox gas well location for the DK formation.

The subject well was staked 615' FNL & 1400' FWL, Sec. 26, T27N, R10W a non-standard location and was directionally drilled with a targeted bottomhole location that was set to be standard. Problems occurred during drilling and as we reached TD @ 8683' the hole became wet. As we tried to heal the hole we were in the process of running our 4-1/2" pipe and the casing parted and we were unable to retrieve the pipe after numerous attempts. We ended up setting plug above the fish @ 6284'. Two other plugs were set to isolate zones still open. We then sidetracked the well and drilled to a new TD of 7648' trying to avoid the area damaged during the first drill to TD. In the process the well deviated slightly more than planned and when a gyro survey was run it indicated that the new BL location is non-standard for the Dakota.

The bottomhole location is standard for the Mesaverde as per Order R-10987-A (1), but non-standard for the Basin Dakota per Order - R10987 B (2) since the offset proration unit is not in the Participating Area (PA). Shown on the topo map, the NE/4 of Section 9 is primarily severe topographic terrain and since it is staked in the Carson National Forest we had to directionally the well to avoid the NSL scenario, but because of downhole issues the well ended up the production interval and bottomhole location as non-standard by approx. 155' to the north and 196' to the east.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval of this non-standard:

- Approved application for Permit to Drill and C102 at referenced location
- Offset operator plat
- 9 section plat
- Topography plat of Section 9
- Gyro Survey that shows how much the well deviated
- Subsequent drilling reports

Production from the Basin Dakota is included in the 320.0 acre gas spacing unit, the east half dedication of Section 9, T27N, R04W.

San Juan 27-4 #139N

Surface Location - Unit B, 110 FNL & 1700' FEL, Sec. 9, T27N, R4W

Bottomhole location - Unit B, 514' FNL & 456' FEL, Sec. 9, T27N, R4W

Rio Arriba Co, NM API- 30-039-30438

NSL Application

Page 2

Burlington Resources is the Operator of the affection proration units and owns 100% of the WI in the Dakota formation in these proration units so no notification is required. Please let me know if you have any questions about this application at 505-326-9518.

Sincerely Yours

A handwritten signature in cursive script, appearing to read "Patsy Clugston".

Patsy Clugston

Regulatory Specialist

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 USA SF-080668 Unit Reporting Number NMA NM-784084-MV NMA NM-784088-D
1b. Type of Well GAS	6. If Indian, All. or Tribe
2. Operator BURLINGTON RESOURCES Oil & Gas Company, LP	7. Unit Agreement Name San Juan 27-4 Unit
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name 9. Well Number #139N
4. Location of Well Unit B (NWNE), 110' FNL & 1700' FEL Unit A (NENE), 822' FNL & 710' FEL 400 Latitude 36.59462 N. Longitude 107.25281 W.	10. Field, Pool, Wildcat Basin Dakota/Blanco Mesaverde 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 09, T27N, R4W Sec. 09, T27N, R4W API # 30-045- 039-30438
14. Distance in Miles from Nearest Town 56.2 Miles/Blanco	12. County Rio Arriba 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 800'	
16. Acres in Lease 2557.800	17. Acres Assigned to Well MV/DK 320.00 (E/2)
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 550' Twin 146B	
19. Proposed Depth 8489'	BLM ACTION CANNOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER NECESSARY PERMITS OR OPERATIONS ON FEDERAL AND INDIAN LANDS
21. Elevations (DF, FT, GR, Etc.) 7167' GL	
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Jamie Goodwin</u> Jamie Goodwin (Regulatory Technician)	12/5/07 Date

PERMIT NO.

APPROVAL DATE

APPROVED BY D. Mankes

TITLE AFM

DATE 2/25/08

Archaeological Report attached

Threatened and Endangered Species Report attached

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.

Example Master Plan Type 3

Bond Numbers NMB-000015 and NMB-000089

OPERATOR

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

This action is subject to technical
procedural review.

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 12, 2005

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. DEC 05 2007
Santa Fe, NM 87505

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

☐ AMENDED REPORT

Bureau of Land Management

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-	² Pool Code 72319/71599	³ Pool Name Blanco MESA VERDE/ Basin Dakota
⁴ Property Code 7452	⁵ Property Name SAN JUAN 27-4 UNIT	⁶ Well Number 139 N
⁷ OGRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES O&G CO LP	⁹ Elevation 7167'

¹⁰ Surface Location

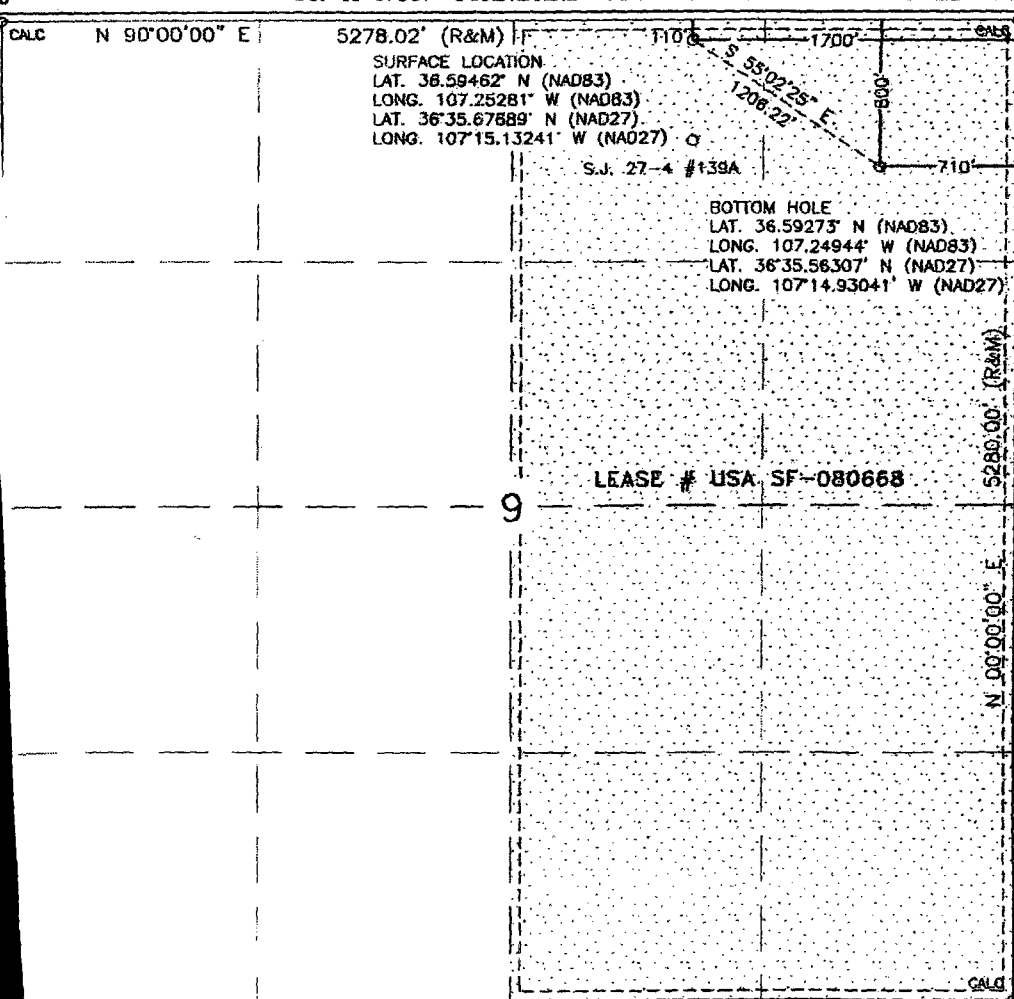
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	9	27N	4W		110'	NORTH	1700'	EAST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	27N	4W		800'	NORTH	710'	EAST	RIO ARRIBA

¹² Dedicated Acres 320.00 Acres - (E/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained hereto is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner or a compulsory pooling order heretofore entered by the Division.

Kandis Roland 10/23/07
Signature Date

Kandis Roland
Printed Name

¹⁸ SURVEYOR CERTIFICATION

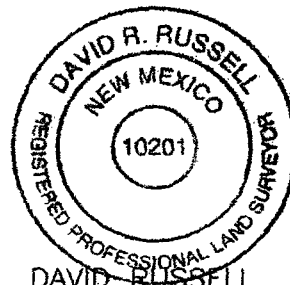
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APRIL 3, 2006

Date of Survey

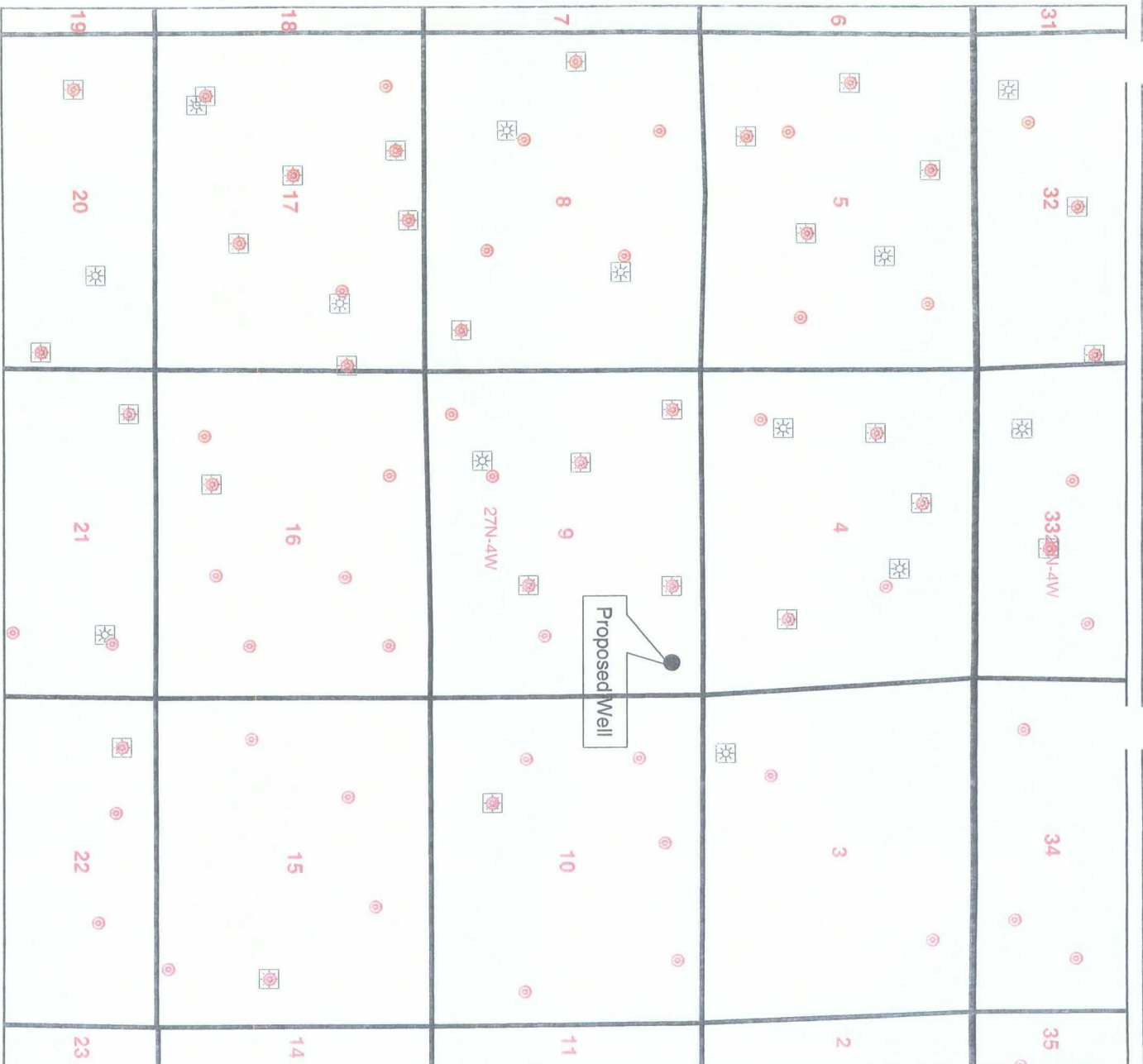
Signature and Seal of Professional Surveyor:

David R. Russell



Certificate Number

10201



Legend

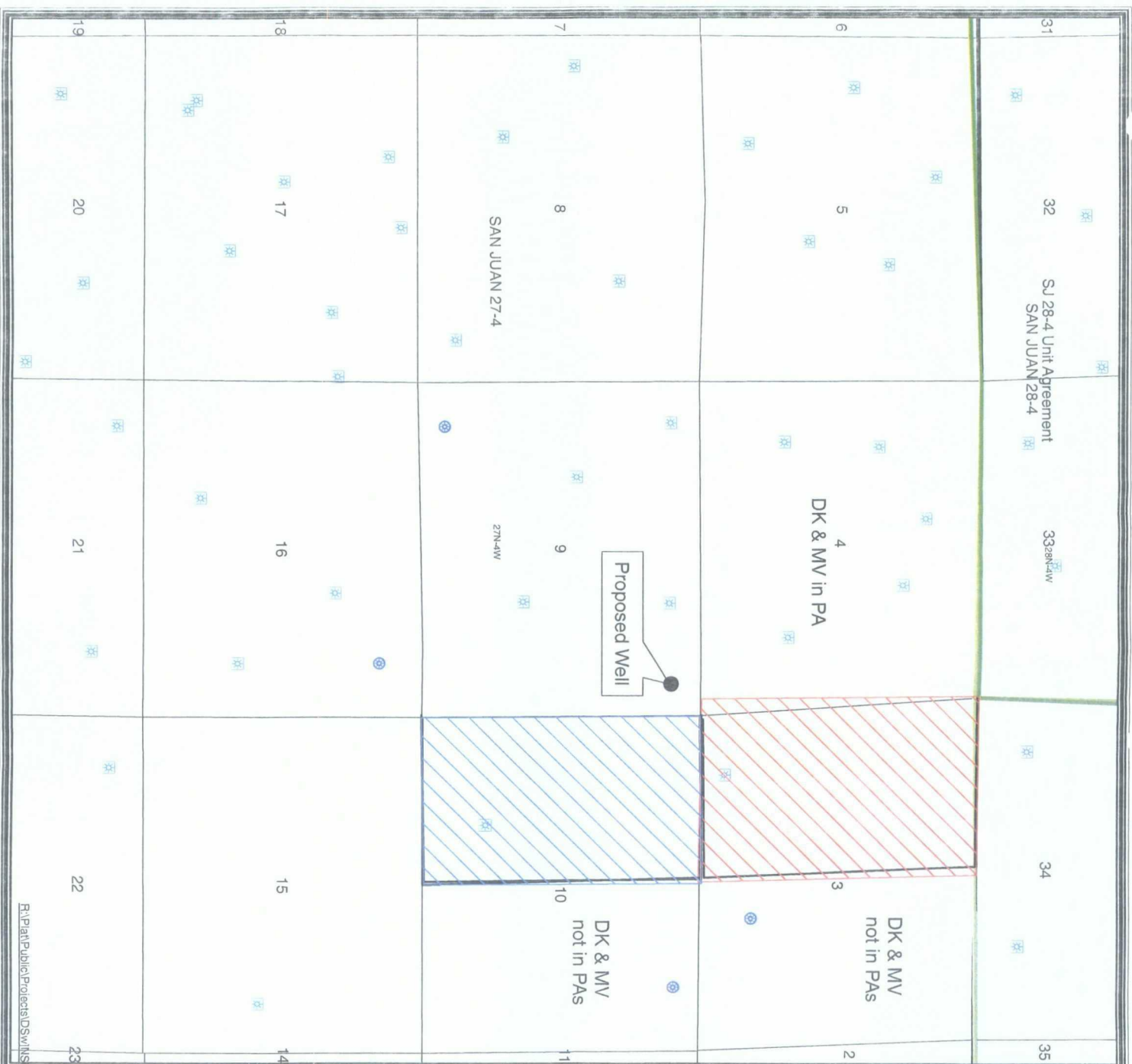
MESAVERDE
DAKOTA



ConocoPhillips
© Unpublished Work, ConocoPhillips

Proposed
San Juan 27-4 Unit 139N
Nine Section Map

Author:	Date:
Compiled by:	Scale:
Project File:	Scale:



Legend

P2000 Well Headers Formations

- MESAVERDE
- DAKOTA

Oper.: BROG
 Offset W.I.: BROG 100%
 in Sec 3, T27N, R4W
 San Juan 27-4 Unit 94 (DK)

Oper.: BROG
 Offset W.I.: BROG 100%
 in Sec 10, T27N, R4W
 San Juan 27-4 Unit 98 (DK)



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ConocoPhillips

Proposed San Juan 27-4 Unit 139N
 Sec 9, T27N, R4W
 Rio Arriba City, NM
 519' FNL, 465' FEL
 Offset Map

Author:
 Compiled By:
 Date: 8/25/2008
 Scale: <Scale>
 ConocoPhillips - 2008 San Juan 27-4 Unit 139N - Offset Map - 8-25-08.mxd

R:\PlanPublic\Projects\DW\SW\139N

Legend

P2000 Well Headers Formations

- MESAVERDE
- DAKOTA



ConocoPhillips
 © Unpublished Work, ConocoPhillips

Proposed San Juan 27-4 Unit 139N
 Sec 9, T27N, R4W
 Rio Arriba Cty, NM
 519' FNL; 465' FEL
 Aerial Map

Author: _____ Date: 8/25/2008
 Compiled by: _____ Scale: <Scale>
 Exported: 2008\San Juan 27-4 Unit 139N - Aerial Map - 8-25-08.mxd



Legend

- P2000 Well Headers Formations
- MESAVERDE
- DAKOTA



Conocophillips
 © Unpublished Work, Conocophillips

Proposed San Juan 27-4 Unit 139N
 Sec 9, T27N, R4W
 Rio Arriba City, NM
 519' FNL; 465' FEL
 Topo Map

Author: 8/25/2008
 Compiled by: Date: 8/25/2008
 Scale: <Scale>
 Project: 2008San Juan 27-4 Unit 139N - Topo Map - 8-25-08.mxd

A Gyrodata Directional Survey

Field Copy Only, not definitive

for

CONOCO PHILLIPS

Location: AWS #184, RIO ARriba COUNTY N.M., Lease
USA SF-080668 Well: SJ27-4 #139N, 4-1/2" CASING

Job Number: RM0808GW624

Run Date: 8/15/2008 9:57:23 AM

Surveyor: JAMES BUTLER

Calculation Method: MINIMUM CURVATURE

Survey surface coordinates obtained from: Well Plan/Plot

Survey Latitude: 36.594620 deg. N Longitude: 107.252810 deg. W

Azimuth Correction:

Gyro: Bearings are Relative to True North

Vertical Section Calculated from Well Head Location

Closure Calculated from Well Head Location

Horizontal Coordinates Calculated from Well Head Location

CONOCO PHILLIPS

A Gyrodatab Directional Survey

Location: AWS #184, RIO ARriba COUNTY N.M.
 Lease: USA SF-080668 Well: SJ27-4 #139N, 4-1/2" CASING
 Job Number: RM0808GW624

MEASURED DEPTH feet	INCL deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
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4099.05 TO 8598.04 FT. RATE GYROSCOPIC MULTISHOT SURVEY RUN INSIDE 4-1/2" CASING
 ALL MEASURED DEPTHS AND COORDINATES REFERENCED TO AWS 184 R.K.B.
 TIE-IN DATA PROVIDED BY HATHAWAY BURNHAM NAVIGATIONAL LLC

TIE-IN DATA						
4068.00	12.40	129.70	0.00	3856.38	1158.3 124.5	656.33 S 954.46 E
GYRO SURVEY						
4099.05	11.89	130.21	1.67	3886.73	1164.8 124.5	660.53 S 959.47 E
4198.91	8.91	124.11	3.18	3984.95	1182.8 124.6	671.51 S 973.73 E
4299.08	6.75	126.42	2.18	4084.18	1196.5 124.6	679.35 S 984.89 E
4399.00	3.74	105.59	3.52	4183.67	1205.4 124.6	683.72 S 992.76 E
4499.71	5.47	80.28	2.61	4284.07	1212.0 124.3	683.79 S 1000.66 E
4599.33	6.78	73.67	1.49	4383.12	1219.1 124.0	681.33 S 1010.98 E
4699.44	7.84	66.94	1.37	4482.41	1226.7 123.5	677.00 S 1022.94 E
4799.45	9.24	60.59	1.68	4581.31	1234.2 122.9	670.38 S 1036.21 E
4898.99	10.83	56.56	1.74	4679.33	1241.7 122.2	661.30 S 1050.98 E
4999.27	12.58	51.77	2.00	4777.52	1249.4 121.3	649.35 S 1067.42 E
5099.38	14.70	46.51	2.45	4874.81	1256.8 120.3	633.86 S 1085.20 E
5199.15	16.15	40.91	2.08	4970.99	1263.1 119.1	614.66 S 1103.47 E
5299.23	18.08	35.61	2.48	5066.64	1268.0 117.8	591.51 S 1121.63 E
5398.76	20.60	32.60	2.71	5160.54	1272.0 116.3	564.20 S 1140.06 E
5498.90	17.41	32.24	3.19	5255.22	1275.9 114.9	536.69 S 1157.55 E
5599.33	14.03	31.58	3.37	5351.88	1279.5 113.7	513.60 S 1171.94 E
5698.99	10.98	29.23	3.10	5449.16	1282.3 112.7	495.02 S 1182.91 E
5799.18	8.53	31.29	2.47	5547.89	1284.6 112.0	480.34 S 1191.43 E

CONOCO PHILLIPS

A Gyrodatta Directional Survey

Location: AWS #184, RIO ARRIBA COUNTY N.M.
 Lease: USA SF-080668 Well: SJ27-4 #139N, 4-1/2" CASING
 Job Number: RM0808GW624

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
5898.99	6.64	30.31	1.90	5646.83	1286.7 111.4	469.04 S 1198.18 E
5998.70	5.43	32.87	1.25	5745.98	1288.6 110.9	460.10 S 1203.65 E
6098.96	4.85	31.80	0.59	5845.84	1290.4 110.5	452.52 S 1208.45 E
6199.00	3.58	29.20	1.28	5945.61	1291.7 110.2	446.20 S 1212.20 E
6298.96	3.56	42.14	0.80	6045.37	1293.4 109.9	441.18 S 1215.81 E
6398.49	2.76	40.73	0.80	6144.75	1295.4 109.7	437.07 S 1219.44 E
6498.78	2.48	26.35	0.71	6244.94	1296.5 109.5	433.30 S 1221.98 E
6598.31	2.18	14.67	0.56	6344.39	1296.6 109.3	429.54 S 1223.42 E
6699.08	1.70	35.70	0.85	6445.10	1296.9 109.2	426.47 S 1224.78 E
6798.49	2.10	28.03	0.48	6544.46	1297.6 109.1	423.66 S 1226.49 E
6899.02	1.93	7.73	0.73	6644.92	1297.6 108.9	420.36 S 1227.59 E
6998.34	1.93	23.90	0.55	6744.19	1297.4 108.8	417.18 S 1228.49 E
7098.57	1.75	356.53	0.88	6844.37	1297.0 108.6	414.11 S 1229.08 E
7198.31	1.88	14.54	0.59	6944.06	1296.3 108.5	411.01 S 1229.40 E
7298.48	0.94	14.16	0.94	7044.20	1296.1 108.4	408.62 S 1230.01 E
7398.37	0.36	89.84	0.92	7144.08	1296.3 108.3	407.82 S 1230.52 E
7498.27	0.67	57.33	0.42	7243.98	1297.0 108.3	407.51 S 1231.33 E
7598.40	0.69	163.84	1.09	7344.11	1297.7 108.3	407.77 S 1231.99 E
7698.48	0.50	189.01	0.32	7444.18	1298.1 108.4	408.78 S 1232.09 E
7798.40	1.08	185.64	0.58	7544.09	1298.4 108.4	410.15 S 1231.92 E
7898.57	0.71	175.52	0.40	7644.25	1298.9 108.5	411.71 S 1231.88 E
7998.04	1.91	38.73	2.49	7743.70	1299.7 108.4	411.03 S 1232.97 E
8097.97	1.42	50.26	0.59	7843.59	1300.9 108.3	408.94 S 1234.96 E

CONOCO PHILLIPS

A Gyrodatta Directional Survey

Location: AWS #184, RIO ARRIBA COUNTY N.M.
 Lease: USA SF-080668 Well: SJ27-4 #139N, 4-1/2" CASING
 Job Number: RM0808GW624

MEASURED DEPTH feet	I N C L deg.	AZIMUTH deg.	DOGLEG SEVERITY deg./ 100 ft.	VERTICAL DEPTH feet	CLOSURE DIST. AZIMUTH feet deg.	HORIZONTAL COORDINATES feet
8197.77	1.62	71.33	0.59	7943.36	1302.7 108.2	407.69 S 1237.25 E
8298.27	1.09	62.19	0.57	8043.83	1304.5 108.2	406.79 S 1239.45 E
8398.19	1.16	78.01	0.32	8143.73	1306.0 108.1	406.14 S 1241.28 E
8498.51	1.08	42.41	0.69	8244.03	1307.3 108.1	405.23 S 1242.92 E
8598.04	0.79	78.53	0.65	8343.55	1308.3 108.0	404.39 S 1244.22 E

Final Station Closure: Distance: 1308.29 ft Az: 108.01 deg.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

AUG 04 2008

Sundry Notices and Reports on Wells

- | | |
|--|---|
| <p>1. Type of Well
GAS</p> <p>2. Name of Operator
BURLINGTON RESOURCES OIL & GAS, LP</p> <p>3. Address & Phone No. of Operator
PO Box 4289, Farmington, NM 87499 (505) 326-9700</p> <p>4. Location of Well, Footage, Sec., T, R, M

Surf: Unit B (NWNE), 110' FNL & 1700' FEL, Sec. 9, T27N R4W
BH: Unit A (NENE), 800' FNL & 710' FEL, Sec. 9, T27N, R4W</p> | <p>5. Lease Number
NMSF-080668</p> <p>6. If Indian, All. or Tribe Name</p> <p>7. Unit Agreement Name
San Juan 27-4 Unit</p> <p>8. Well Name & Number
Well Name & Number</p> <p>9. San Juan 27-4 Unit #139N API Well No.
30-039-30438</p> <p>10. Field and Pool
Blanco MV/Basin DK</p> <p>11. County and State
Rio Arriba Co., NM</p> |
|--|---|

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input checked="" type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection

☒ Other - Plug back fish & Sidetrack

**RCVD AUG 7 '08
OIL CONS. DIV.
DIST. 3**

13. Describe Proposed or Completed Operations

COPC finished the directionally drill section of the subject well and had completed setting and cementing the 7" casing in place. We were drilling the vertical section to TD. TD was reached @ 8683' but we got wet on bottom. We tried to heal the hole and then as we went in with the 4-1/2" casing to TD we encountered problems and ended up parting the casing and lost 49 jts of 4-1/2" on the bottom of the hole. The top of the fish is at 6273'. Unsuccessful attempts were made to jar and retrieve the fish. Plans are to set the 1st cement plug @ 6223' to 6323' w/100% excess. 2nd plug to cover the Chacra between 5270' - 5170' w/100% excess; and the 3rd plug @ 4403' to 4483' with a retainer on top (covering the 7" shoe). Plans then will be to whipstock above the retainer into a westerly direction and drill again to TD with air. Verbal approval was given @ 3:30 pm from Wayne Townsend (BLM) and Steve Hayden (OCD) to continue as planned.

@ 4463' 7-16-08

8-1-2008

14. I hereby certify that the foregoing is true and correct.

Signed Patsy Clugston Title Regulatory Specialist Date 8/1/08

(This space for Federal or State Office use)

APPROVED BY Troy L. Salyers Title Petroleum Engineer Date 8-6-2008

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

*File intermediate
Casing report*

NMOCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

AUG 15 2008

Sundry Notices and Reports on Wells

Bureau of Land Management
Farmington Field Office

1. Type of Well
GAS

2. Name of Operator

BURLINGTON

RESOURCES OIL & GAS COMPANY LP

3. Address & Phone No. of Operator

PO Box 4289, Farmington, NM 87499 (505) 326-9700

4. Location of Well, Footage, Sec., T, R, M

Surf: Unit B (NWNE), 110' FNL & 1700' FEL, Section 9, T27N, R4W, NMPM

BH: Unit A (NENE), 800' FNL & 710' FEL, Section 9, T27N, R4W, NMPM

5. Lease Number
USA - SF-080668

6. If Indian, All. or
Tribe Name

7. Unit Agreement Name

8. San Juan 27-4 Unit
Well Name & Number

9. San Juan 27-4 Unit 139N
API Well No.

30-039-30438

10. Field and Pool
Basin DK/Blanco MV

11. County and State
Rio Arriba Co., NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission

Type of Action

☐ Notice of Intent

☐ Abandonment

☐ Change of Plans

☒ Other - Casing Report

☒ Subsequent Report

☐ Recompletion

☐ New Construction

☐ Plugging

☐ Non-Routine Fracturing

☐ Casing Repair

☐ Water Shut off

☐ Final Abandonment

☐ Altering Casing

☐ Conversion to Injection

13. Describe Proposed or Completed Operations

7/11/08 MIRU Aztec 184. PT csg to 600#/30 mins - test good. 7/11/08 RIH w/8 3/4" bit & DD tool, tagged on cmt @ 346'. D/O cmt & drilled ahead to 4488' TMD interm TD reached 7/14/08. TOH & LD DD tool. Circ hole. RIH w/104 jts, 7", 23#, L-80 LT&C csg & set @ 4463' & DV tool @ 3645'. 1st Stage Pre-flush w/10 bbls gel & 2 bbls FW. Pump Scavenger 20 sx (60 cf - 11 bbls slurry) Premium Lite, w/8% Bentonite, 3% CACL2, .25#/sx Cellophane flake, .4% FL-52, 5#/sx LCM-1, .4% Sodium Metasilicate. Lead 30 sx (64 cf - 11 bbls slurry) Premium Lite, w/8% Bentonite, 3% CACL2, .25#/sx Cellophane flake, .4% FL-52, 5#/sx LCM-1, .4% Sodium Metasilicate. Lead 90 sx (124 cf - 22 bbls slurry) Type III, w/ 1% CACL2, .25#/sx Cellophane flakes, .2% FL-52. Dropped plug & displaced w/30 bbls FW & 133 bbls drilling mud. Bumped plug to 1000# @ 1330 hrs. Circ 22 bbls cmt to surface. Wait 4 hrs from bump. 2nd Stage Pre-flush w/10 bbls gel water & 2 bbls FW. Scavenger 20 sx (60 cf - 11 bbls slurry) Premium Lite, w/8% Bentonite, 3% CACL2, .25#/sx Cellophane flake, .4% FL-52, 5#/sx LCM-1, .4% Sodium Metasilicate. Lead 470 sx (1001 cf - 178 bbls slurry) (60 cf - 11 bbls slurry) Premium Lite, w/8% Bentonite, 3% CACL2, .25#/sx Cellophane flake, .4% FL-52, 5#/sx LCM-1, .4% Sodium Metasilicate. Dropped plug & displaced w/143 bbls FW. Bumped plug to 1100# @ 1847 hrs 7/16/08. Circ 43 bbls cmt to surface. WOC. 7/17/08 @ 1030 hrs PT csg to 1500#/30 mins - test good.

14. I hereby-certify that the foregoing is true and correct.

Signed

Rhonda Rogers Title Regulatory Technician

Date 8/14/08

(This space for Federal or State Office use)

APPROVED BY

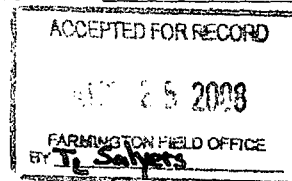
Title

Date

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPERATOR



San Juan 27-4 Unit 139N
API # 30-039-30438

7/17/08 RIH w/6 1/4" bit & D/O DV tool @ 3645'. Tagged on cmt @ 4410'. D/O cmt & drilled to 8683' TD & TD reached 7/26/08. Circ hole. TD was reached, but we got wet on bottom. We tried to heal the hole and then RIH w/185 jts, 4 1/2", 11.6#, J-55/L-80 ST&C/LT&C cgs & set @ 8369'. We encountered problems and ended up parting the csg & lost 49 jts 4 1/2" csg in bottom of the hole. The TOF @ 6273'. Unsuccessful attempts were made to jar and retrieve the fish. 8/1/08. ✓

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

AUG 18 2008

Bureau of Land Management
Farmington Field Office

Sundry Notices and Reports on Wells

- | | |
|---|---|
| 1. Type of Well
GAS | 5. Lease Number
USA - SF-080668 |
| 2. Name of Operator
BURLINGTON
RESOURCES OIL & GAS COMPANY LP | 6. If Indian, All. or
Tribe Name |
| 3. Address & Phone No. of Operator

PO Box 4289, Farmington, NM 87499 (505) 326-9700 | 7. Unit Agreement Name

San Juan 27-4 Unit |
| 4. Location of Well, Footage, Sec., T, R, M

Surf: Unit B (NWNE), 110' FNL & 1700' FEL, Section 9, T27N, R4W, NMPM
BH: Unit A (NENE), 800' FNL & 710' FEL, Section 9, T27N, R4W, NMPM | 8. Well Name & Number

San Juan 27-4 Unit 139N
9. API Well No.

30-039-30438

10. Field and Pool
Basin DK/Blanco MV

11. County and State
Rio Arriba Co., NM |

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection

☒ Other - Sidetrack details & cementing

13. Describe Proposed or Completed Operations

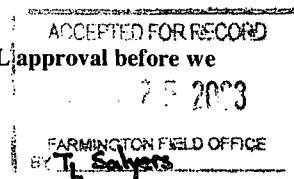
See sundry dated 8/14/08 for details of intermediate casing and production casing fishing. See NOI dated 8/1/08 for plans to sidetrack.

8/2/08 With AWS 184, RU cementers to set plugs. 1st plug @ 6284' cemented w/22 bbls cement. Plug @ 5700' - 6284'. Reversed out excess cement. 2nd plug pumped 15 bbls cement for 300' plug from 5078' - 5378'. Reversed out excess cement. PU & set 3rd plug w/12 bbls cement @ 4403' - 4677', reversed out excess cement. POOH. 8/3/08 RIH w/bit & reamed cement to 4435'. PT casing to 1500# 15 min prior to TOH. Circ. well. TOH & LD bit & reamer. RU WL & RIH & set CIBP @ 4415'. RD WL. RIH w/whipstock to 4253'. RIH w/WL orient whipstock to azimuth of 195 degree: TOP of WS 4400', window @ 4408'. RD WL. Milled window to 4413'. LD mill & whipstock.

8/4 Drilled 6-1/4" hole (sidetrack) to TD @ 8648'. TD reached 8/12/08. Circ. hole. RIH w/100 jts 4-1/2", 11,6# J-55 casing (liner) and set @ 8648' w/TOL @ 4384'. RU to cement. Pumped preflush of 10 bbls mudclean and 2 bbls FW ahead of 10 sx Scavenger (31cf - 5.5bbls). Tailed w/310 sx (614 cf - 109 bbls) Premium Lite High Strength FM w/3% CD-32, .25#/sx Cellophane Flakes, 1% FL-52, 6.25#/sx LCM-1. Displaced w/134 bbls of FW w/10 bbls containing 25# sugar). Bumped plug w/932 #. RD BJ. Ran WL survey w/gyro data. ND BOP, NU WH. RD & released rig 8/14/08.

Will report TOC and casing PT on the next report. PT will be conducted by the completion rig. ✓

NOTE: The gyro indicated that the hole deviated into a non-standard (NSL) location. We will be filing for NSL approval before we completed this well. ✓

14. I hereby certify that the foregoing is true and correct.Signed Patsy Clugston Title Regulatory Specialist Date 8/18/08

(This space for Federal or State Office use)

APPROVED BY _____ Title _____ Date _____

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPERATOR

Burlington Resources Oil & Gas Company, LP

P.O. Box 4289

Farmington, NM 87499

Sent Federal Express

February 12, 2009

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: San Juan 27-4 #139N
Surface Location - Unit B, 110' FNL & 1700' FEL, Sec. 9, T27N, R4W
Bottomhole location - Unit B, 514' FNL & 456' FEL, Sec. 9, T27N, R4W
Rio Arriba Co, NM
API- 30-039-30438

Dear Sirs:

Burlington Resources has drilled the subject well at the reference surface location as a Basin Dakota and Blanco Mesaverde commingled well and we are applying for administrative approval of an unorthodox gas well location for the DK formation.

The subject well was staked 110' FNL & 1700' FEL, Sec. 9, T27N, R4W a non-standard location and was directionally drilled with a targeted bottomhole location that was set to be standard. Problems occurred during drilling and as we reached TD @ 8683' the hole became wet. As we tried to heal the hole we were in the process of running our 4-1/2" pipe and the casing parted and we were unable to retrieve the pipe after numerous attempts. We ended up setting plug above the fish @ 6284'. Two other plugs were set to isolate zones still open. We then sidetracked the well and drilled to a new TD of 7648' trying to avoid the area damaged during the first drill to TD. In the process the well deviated slightly more than planned and when a gyro survey was run it indicated that the new BL location is non-standard for the Dakota.

The bottomhole location is standard for the Mesaverde as per Order R-10987-A (1), but non-standard for the Basin Dakota per Order - R10987 B (2) since the offset proration unit is not in the Participating Area (PA). Shown on the topo map, the NE/4 of Section 9 is primarily severe topographic terrain and since it is staked in the Carson National Forest we had to directionally the well to avoid the NSL scenario, but because of downhole issues the well ended up the production interval and bottomhole location as non-standard by approx. 155' to the north and 196' to the east.

To comply with the New Mexico Oil Conservation Division rules, we are submitting the following for your approval of this non-standard:

- > Approved application for Permit to Drill and C102 at referenced location
- > Offset operator plat
- > 9 section plat
- > Topography plat of Section 9
- > Gyro Survey that shows how much the well deviated
- > Subsequent drilling reports

Production from the Basin Dakota is included in the 320.0 acre gas spacing unit, the east half dedication of Section 9, T27N, R04W.

San Juan 27-4 #139N

Surface Location - Unit B, 110 FNL & 1700' FEL, Sec. 9, T27N, R4W

Bottomhole location - Unit B, 514' FNL & 456' FEL, Sec. 9, T27N, R4W

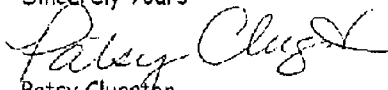
Rio Arriba Co, NM API- 30-039-30438

NSL Application

Page 2

Burlington Resources is the Operator of the affection proration units and owns 100% of the WI in the Dakota formation in these proration units so no notification is required. Please let me know if you have any questions about this application at 505-326-9518.

Sincerely Yours

A handwritten signature in cursive script, appearing to read "Patsy Clugston".

Patsy Clugston

Regulatory Specialist

Brooks, David K., EMNRD

From: Clugston, Patricia L [Patsy.L.Clugston@conocophillips.com]
Sent: Tuesday, March 17, 2009 2:33 PM
To: Brooks, David K., EMNRD
Subject: FW: SJ 27-4 #139N NSL question

Here is your answer. Thanks. Patsy

From: Wierenga, Diane S.
Sent: Tuesday, March 17, 2009 2:13 PM
To: Clugston, Patricia L
Cc: Davis, Richard T
Subject: RE: SJ 27-4 #139N NSL question

3/17/09

Patsy,

As per Mr. Brooke's inquiry, I confirm, herewith, that Burlington Resources is the operator and 100% WI of all properties in Sec. 4 E/2 & W/2 spacing units.

Please let me know if there are any other questions.

Have a Great Day!

Diane S. Wierenga

ConocoPhillips Co
San Juan BU
Sr. Land Analyst
505-326-9790
diane.s.wierenga@conocophillips.com

From: Clugston, Patricia L
Sent: Tuesday, March 17, 2009 1:50 PM
To: Wierenga, Diane S.
Cc: Davis, Richard T
Subject: SJ 27-4 #139N NSL question
Importance: High

Hi Diane

Mr. Brooks at the NMOCD in Santa Fe asked this question and then later cancelled his question, today he decided he needed to know this again, so can yo please answer his questions and hen he will approve the NSL. Thanks. Patsy.

The second page of the letter states that "Burlington Resources is the operator of the affected proration units and owns 100% of the working interests," but does not identify the affected proration units. The map attached gives information only about the W/2 of Section 3 and the W/2 of Section 10. Since the BHL is non-standard both to the East and to the North, it would seem that there is also an affected proration unit in Section 4 (either the S/2 or the E/2). Please confirm which unit is applicable, and if Burlington owns 100% of the working interest in the affected portion of Section 4 as well.

Brooks, David K., EMNRD

From: Clugston, Patricia L [Patsy.L.Clugston@conocophillips.com]
Sent: Tuesday, March 17, 2009 8:45 AM
To: Brooks, David K., EMNRD
Subject: FW: San Juan 27-4 #139N; NSL Application
Attachments: Corrected NSL app 27-4 #139N.tif

*I responded
by phone 3-17-09
and requested
they confirm
ownership
in 54.*

Good morning David,

The completion rig planners are asking me to find out if this NSL application will be coming shortly. I told them that I had made a mistake on the application and maybe this has caused a delay. Can you tell me if we need to do anything else to get the approval on this well? Call or email me please. 326-9518. Patsy Clugston

From: Clugston, Patricia L
Sent: Thursday, March 12, 2009 9:07 AM
To: 'Brooks, David K., EMNRD'
Subject: RE: San Juan 27-4 #139N; NSL Application

Sorry it took me so long to get back with you. I have been out of the office. I do see the mistake I did and attached it a copy of the corrected NSL letter with the right footages shown in the second paragraph. I don't have a clue what happened there, but I apologize. Thank you. Patsy

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Tuesday, March 10, 2009 3:52 PM
To: Clugston, Patricia L
Subject: FW: San Juan 27-4 #139N; NSL Application

Dear Ms. Clugston

I find that I sent you the inquiry about the applicable proration units yesterday, and you indicated it had been referred to the land department. So please address only the first inquiry below.

David

From: Brooks, David K., EMNRD
Sent: Tuesday, March 10, 2009 3:43 PM
To: 'Clugston, Patricia L'
Subject: San Juan 27-4 #139N; NSL Application

Dear Ms. Clugston

I have two questions about the referenced application:

1. The caption of the letter, as well as other information attached, indicates that the surface location of the subject well is 110 FNL and 1700 FEL of Section 9-27N-4W. However, the second paragraph of the letter states that "The subject well was staked 615 FNL and 1400 FWL, Section 26-27N-10W." The letter indicates the well was sidetracked around the fish, which would indicate to me that the surface location would not have changed. Please explain.

2. The second page of the letter states that "Burlington Resources is the operator of the affected proration units and owns 100% of the working interests," but does not identify the affected proration units. The map attached gives information only about the W/2 of Section 3 and the W/2 of Section 10. Since the BHL is non-standard both to the East and to the North, it would seem that there is also an affected proration unit in Section 4 (either the S/2 or the E/2). Please confirm which unit is applicable, and if Burlington owns 100% of the working interest in the affected portion of Section 4 as well.

Thanks

David K. Brooks
Legal Examiner
505-476-3450

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This inbound email has been scanned by the MessageLabs Email Security System.

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, March 09, 2009 11:38 AM
To: 'Clugston, Patricia L'
Subject: Burlington Sand Juan 27-4 Unit #139N; NSL Application

Dear Ms. Clugston

In considering the referenced application, I note that you have stated that Burlington owns 100% of the operating interest in the offsetting units, but the offsetting units are not identified.

Please confirm that Burlington's 100% ownership applies to the diagonally offsetting unit in Section 3, as well as to the directly offsetting units in Sections 40 and 10.

Thanks

David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: Clugston, Patricia L [Patsy.L.Clugston@conocophillips.com]
Sent: Monday, March 09, 2009 2:32 PM
To: Brooks, David K., EMNRD
Subject: FW: Burlington Sand Juan 27-4 Unit #139N; NSL Application

Our land department confirmed your question, see the email below. If you have further questions, let me know. Thanks.
Patsy

From: Wierenga, Diane S.
Sent: Monday, March 09, 2009 2:12 PM
To: Clugston, Patricia L
Subject: RE: Burlington Sand Juan 27-4 Unit #139N; NSL Application

Patsy,
I confirm that Burlington's ownership in the offsetting unit in Section 3 is 100%. Let me know if you have any other questions.
Diane

From: Clugston, Patricia L
Sent: Monday, March 09, 2009 2:01 PM
To: Wierenga, Diane S.
Subject: RE: Burlington Sand Juan 27-4 Unit #139N; NSL Application

Thanks Diane. Patsy

From: Wierenga, Diane S.
Sent: Monday, March 09, 2009 1:55 PM
To: Clugston, Patricia L
Cc: Davis, Richard T
Subject: RE: Burlington Sand Juan 27-4 Unit #139N; NSL Application

I'm looking at it right now, I didn't want Mr. Brooks to wait either, so I'm making time for this. I'll get right back to you.
Diane

From: Clugston, Patricia L
Sent: Monday, March 09, 2009 1:52 PM
To: Wierenga, Diane S.
Cc: Davis, Richard T
Subject: RE: Burlington Sand Juan 27-4 Unit #139N; NSL Application

Since Mr. Brooks is looking at it now, can we have someone else do this for me, then you won't have to worry about it. Be careful. Patsy

From: Wierenga, Diane S.
Sent: Monday, March 09, 2009 1:22 PM
To: Clugston, Patricia L; Davis, Richard T
Subject: RE: Burlington Sand Juan 27-4 Unit #139N; NSL Application

I'll check it out, Patsy, and get back to you. But I have to go to Denver to a funeral, so will the end of the week be OK?

Diane

From: Clugston, Patricia L
Sent: Monday, March 09, 2009 1:19 PM
To: Wierenga, Diane S.; Davis, Richard T
Subject: FW: Burlington Sand Juan 27-4 Unit #139N; NSL Application

I can't remember whose well this was, but can one of you check on this for me? Thanks. Patsy

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, March 09, 2009 11:38 AM
To: Clugston, Patricia L
Subject: Burlington Sand Juan 27-4 Unit #139N; NSL Application

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David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

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Legal Examiner
505-476-3450

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David K. Brooks
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