

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 2040 South Pacheco, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION COVERSHEET

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

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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]

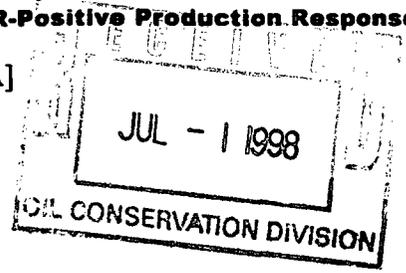
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD 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



[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Certification

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

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

Print or Type Name _____ Signature [Signature] Title [Signature] Date _____

BURLINGTON RESOURCES

SAN JUAN DIVISION

Sent Federal Express

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

Re: San Juan 27-4 Unit #41M
1990'FNL, 870'FWL, Section 7, T-27-N, R-4-W, Rio Arriba County, NM
30-039-not assigned

Dear Ms. Wrotenbery:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for both the Mesa Verde and Dakota pools. This application for the referenced location is for topographic reasons, archeology, and at the request of the Carson National Forest Service.

~~Production from the Blanco Mesa Verde pool is to be included in a standard 321.55 acre gas spacing and proration unit comprising of the west half (W/2) of Section 7 which is currently dedicated to Burlington's San Juan 27-4 Unit #31 (API 30-039-60066), located at 810'FSL, 690'FWL of Section 7.~~ Production from the Basin Dakota pool is to be included in a standard 321.55 acre gas spacing and proration unit comprising of the west half (W/2) of Section 7 which is currently dedicated to Burlington's San Juan 27-4 Unit #41 (API 30-039-20135), located at 1550'FSL, 1550'FWL of said Section 7.

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat - Burlington is the operator of the unit.
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

NS-257
L. Standard
(K)

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 SF-080673 Unit Reporting Number 8910010540-Dk 891001054A-MV	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator BURLINGTON RESOURCES Oil & Gas Company	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 San Juan 27-4 Unit 9. Well Number 41M	
4. Location of Well 1990' FNL, 870' FWL Latitude 36° 35' 20", Longitude 107° 17' 50"	10. Field, Pool, Wildcat Blanco MV/Basin Dk 11. Sec., Twn, Rge, Mer. (NMPM) Sec 7, T-27-N, R-4-W API # 30-039-	
14. Distance in Miles from Nearest Town 60 miles to Bloomfield	12. County RA	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 870'	17. Acres Assigned to Well 321.56	
16. Acres in Lease	18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 2600'	
19. Proposed Depth 8283'	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6993' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u></u> Regulatory/Compliance Administrator	<u>5-30-98</u> Date	

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ 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
 District II
 PO Drawer KE, Arama, NM 87211-0719
 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
 Revised February 21,
 Instructions on
 Submit to Appropriate District C
 State Lease - 4 C
 Fee Lease - 3 C

AMENDED RE

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-039-		1 Pool Code 72319/71599		1 Pool Name Blanco Mesaverde/Basin Dakota	
1 Property Code 7452		2 Property Name SAN JUAN 27-4 UNIT			1 Well Number # 41M
1 OGRID No. 14538		3 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			1 Elevation 6993

10 Surface Location

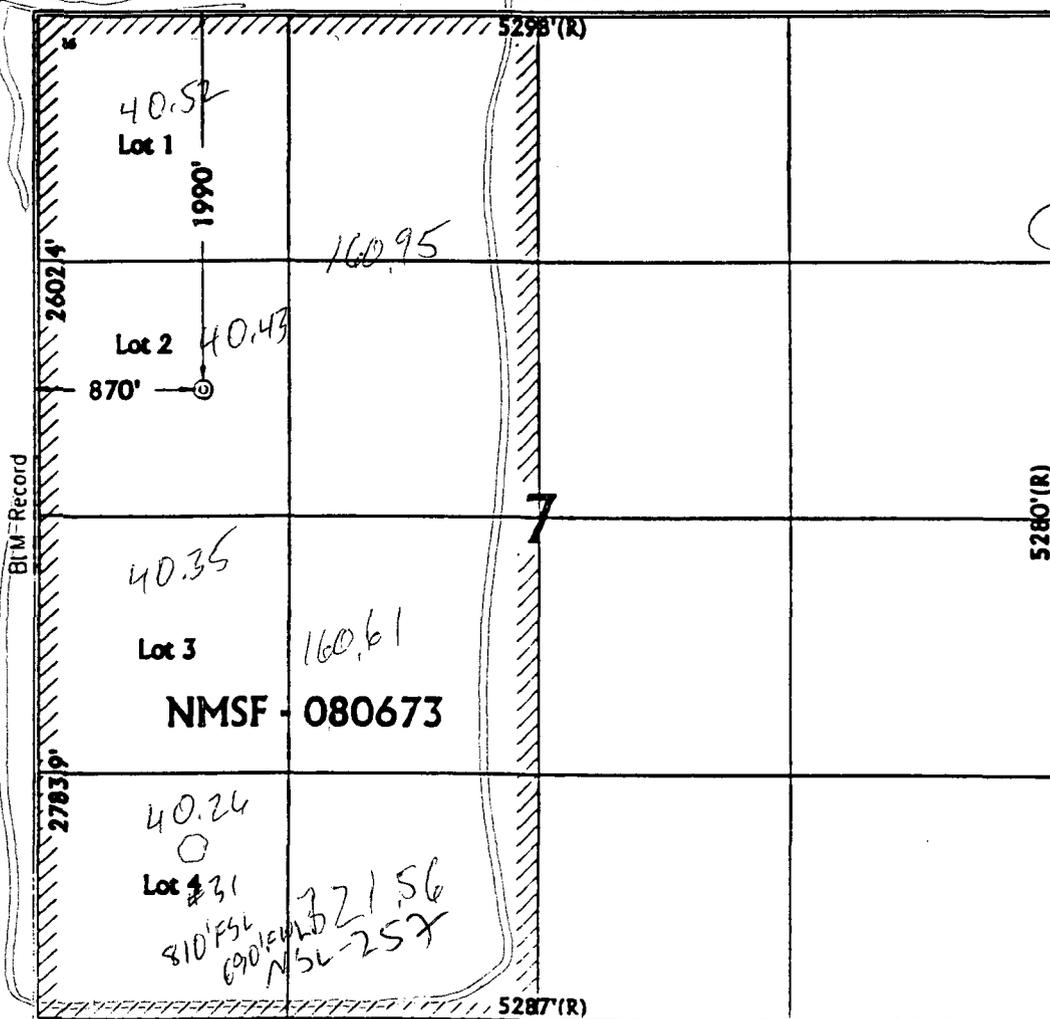
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	7	27 N	4 W		1990	NORTH	870	WEST	RIO AR

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

12 Deducted Acres MV-W/321 56 DK-W/321 56	13 Term or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATE
 I hereby certify that the information contained in this plat is true and complete to the best of my knowledge and belief.

Peggy Bradford
 Signature
 Peggy Bradford
 Printed Name
 Regulatory Administrator
 Title
 5-30-98
 Date

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

April 21, 1998
 Date of Survey
 Signature and Seal of Professional Surveyor

 7016
 Certificate Number

OPERATIONS PLAN

Well Name: San Juan 27-4 Unit #41M
Location: 1990' FNL, 870' FWL Sec 7, T-27-N, R-4-W
Rio Arriba County, NM
Latitude 36° 35' 20", Longitude 107° 17' 50"
Formation: Blanco Mesa Verde/Basin Dakota
Elevation: 6993' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	3237'	
Ojo Alamo	3237'	3405'	aquifer
Kirtland	3405'	3488'	
Fruitland	3488'	3852'	gas
Pictured Cliffs	3852'	3942'	gas
Lewis	3942'	4403'	gas
Intermediate TD	4042'		
Huerfanito Bentonite	4403'	4814'	gas
Chacra	4814'	5561'	
Massive Cliff House	5561'	5666'	gas
Menefee	5666'	6005'	gas
Massive Point Lookout	6005'	6539'	gas
Mancos Shale	6539'	7181'	
Gallup	7181'	7943'	gas
Greenhorn	7943'	8008'	gas
Dakota	8008'		gas
TD (4 1/2" liner)	8283'		

Logging Program:

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

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 200'	Spud	8.4-9.0	40-50	no control
200-4042'	LSND	8.4-9.0	30-60	no control
4042-8283'	Gas	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):

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 200'	9 5/8"	32.3#	WC-5C
8 3/4"	0' - 4042'	7"	20.0#	J-55
6 1/4"	3942' - 8283'	4 1/2"	10.5#	J-55

Tubing Program:

0' - 8283' 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 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, 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/331 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 (1063 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 3405'. Two turbolating centralizers at the base of the Ojo Alamo at 3405'. 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. Cement with 469 sx 50/50 Class "B" Poz with 2% gel, 1/4# flocele/sx, 5# gilsonite/sx, and 0.4% fluid loss additive (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 shoe joint.

Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. Instead, 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" CIBP will be set above the last fracturing job to cut and pull the 4 1/2" casing above the 7" casing shoe. The 4 1/2" bridge plug will then be milled and tubing will be run for completion.

Special Drilling Operations (Gas/Mist Drilling):

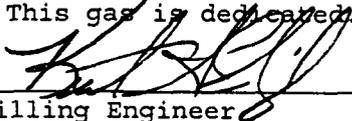
The following equipment will be operational while gas/mist drilling:

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

Fruitland Coal	800 psi
Pictured Cliffs	800 psi
Mesa Verde	700 psi
Dakota	2500 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The west half is dedicated to the Dakota and the Mesa Verde in this well.
- This gas is dedicated.


Drilling Engineer

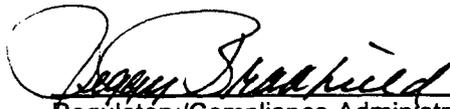
5/5/98
Date

BURLINGTON RESOURCES

San Juan 27-4 Unit #41M 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.
2. 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 1400' 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 Proposed 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 44 Crossing Water Hole located NE Section 18, T-27-N, R-4-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 quarry.
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.

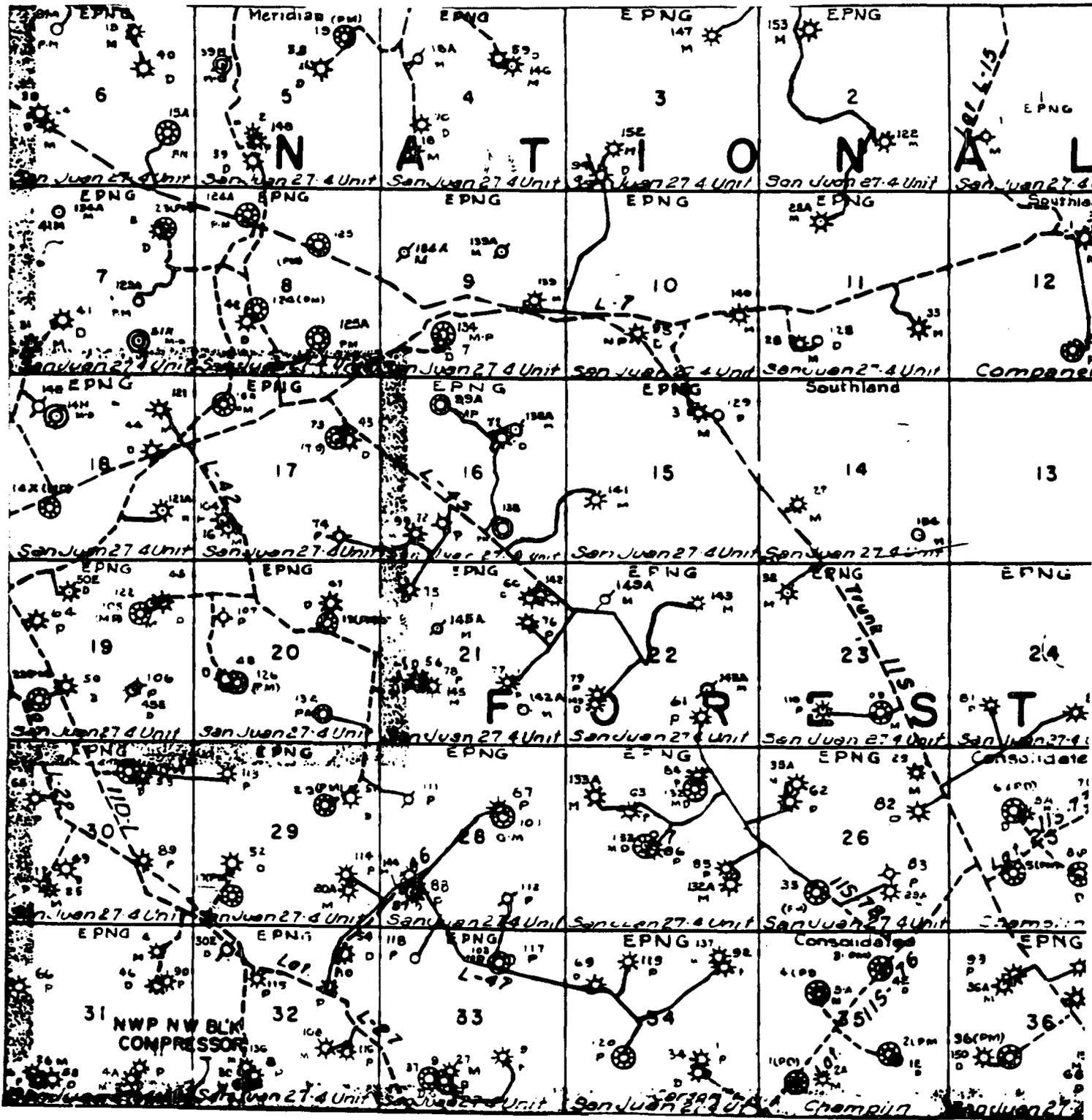
10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be 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 – Carson National Forest
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

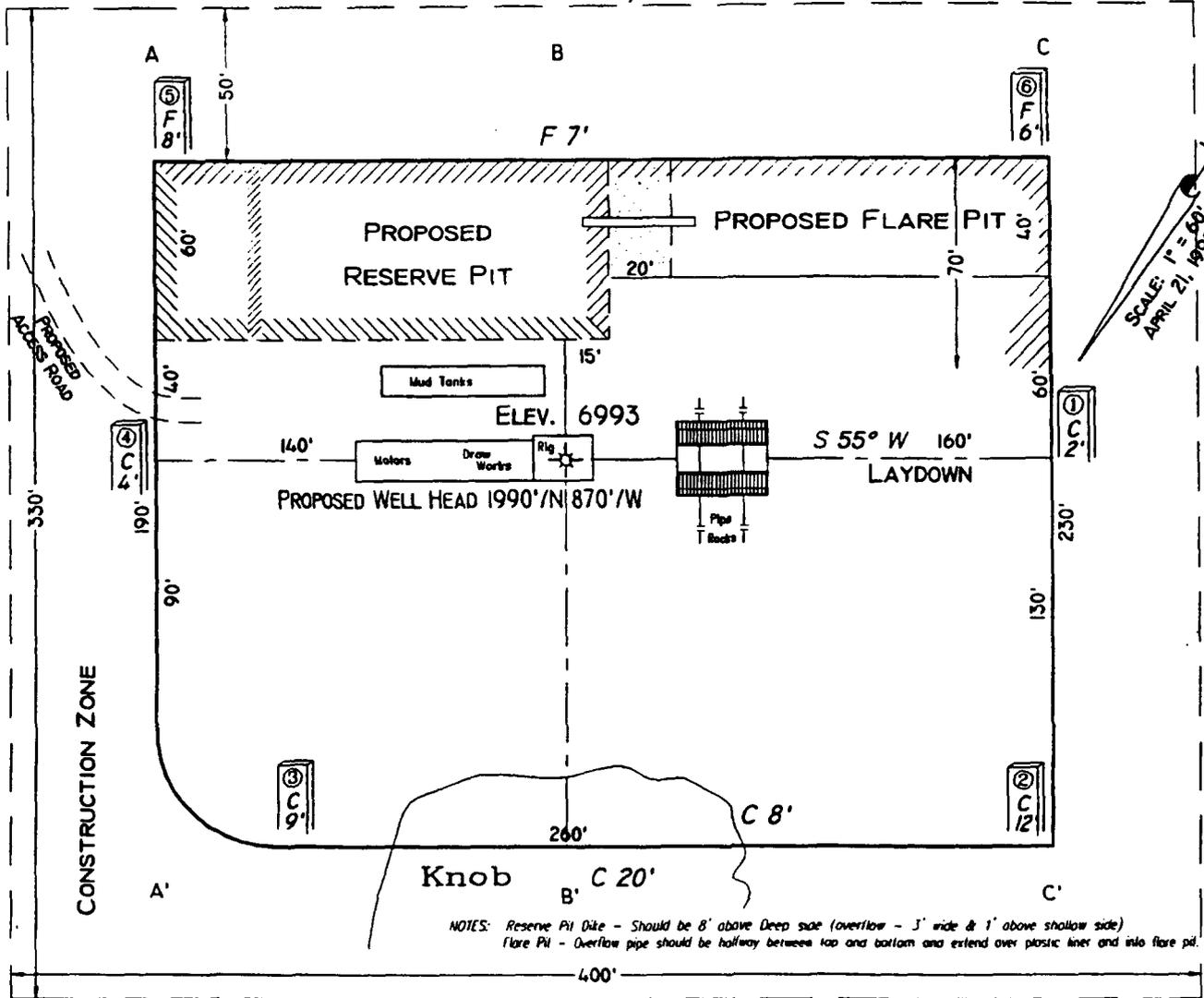
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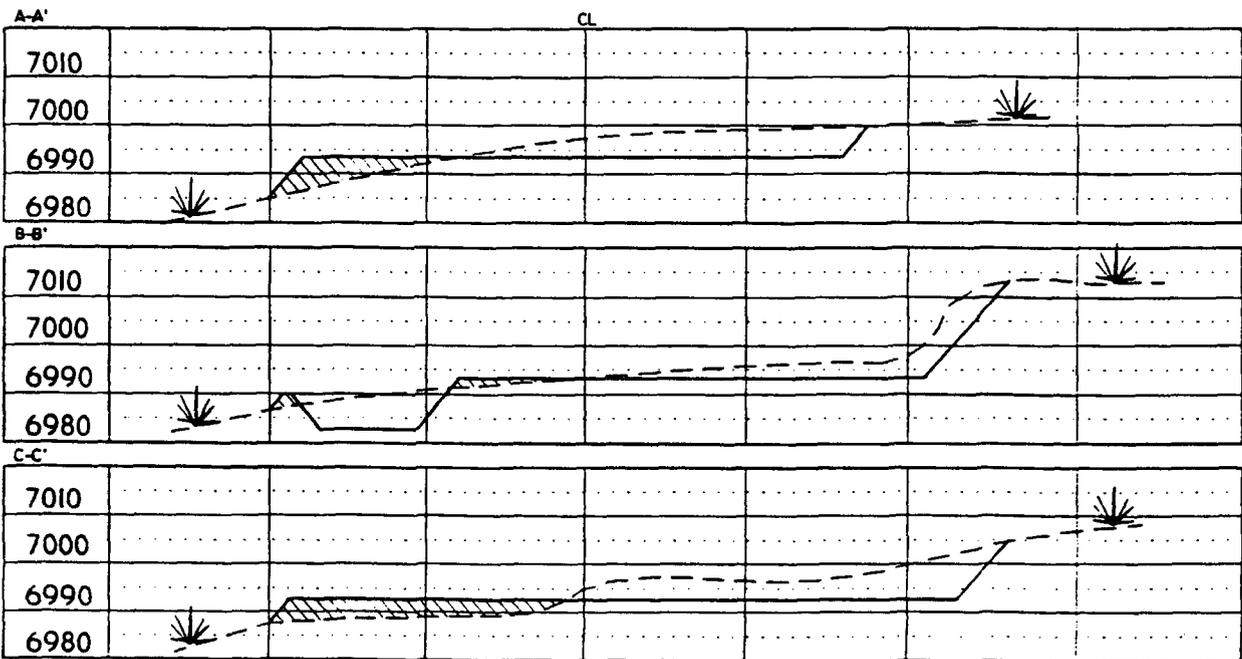


MERIDIAN OIL INC.
 Pipeline Map
 T-27-N, R-04-W
 Rio Arriba County, New Mexico
 San Juan 27-4 Unit #41M
 Map 1A

PAD LAYOUT PLAN & PROFILE
BURLINGTON RESOURCES OIL & GAS COMPANY
SAN JUAN 27-4 UNIT 41M
 1990' F/NL 870' F/WL
 SEC. 7, T27N, R4W, N.M.P.M.
 RIO ARRIBA COUNTY, NEW MEXICO



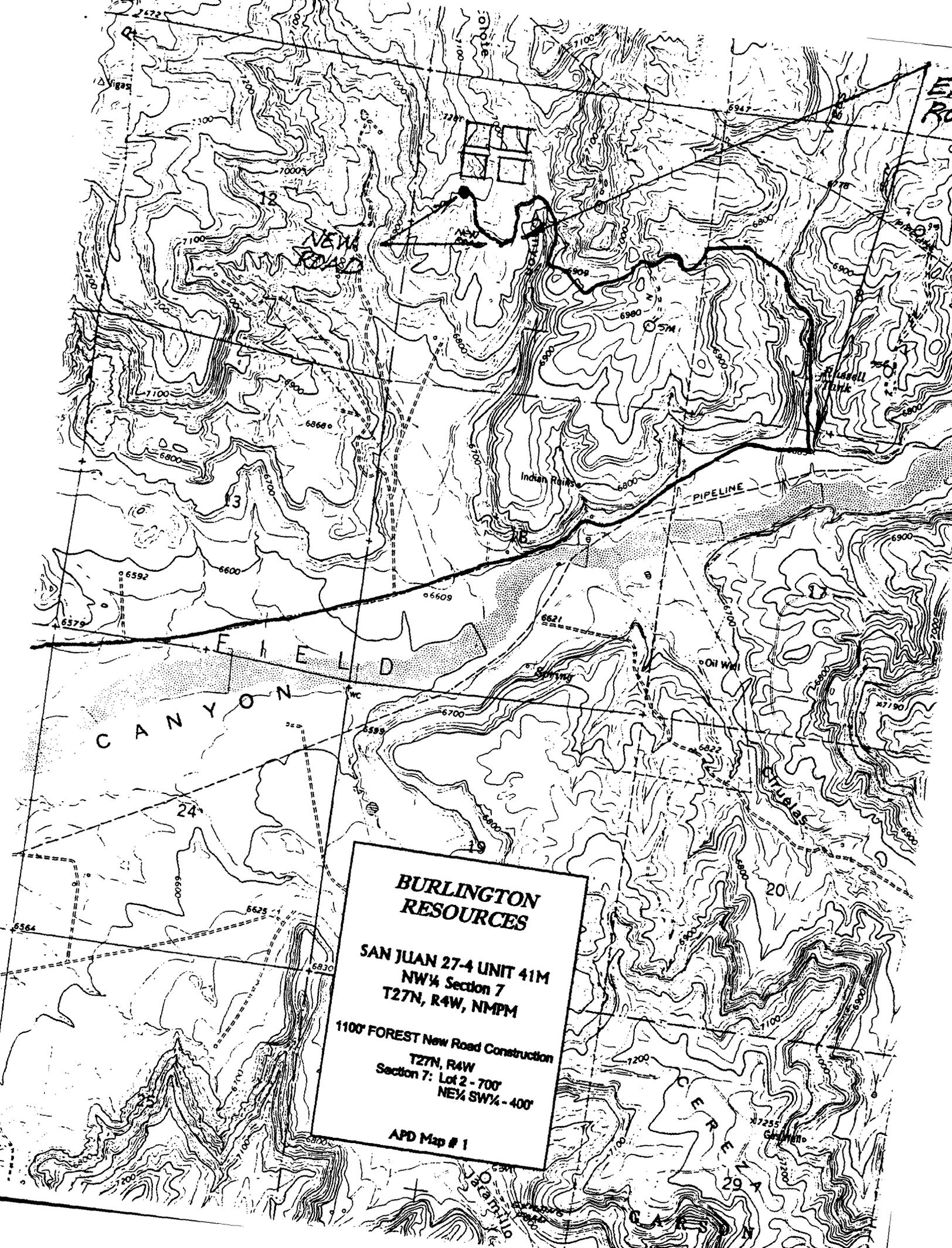
NOTES: Reserve Pit Dike - Should be 8' above Deep side (overflow - 3' wide & 1' above shallow side)
 Flare Pit - Overflow pipe should be halfway between top and bottom and extend over plastic liner and into flare pit.



SCALE: 1"=60'-HORIZ.
 1"=40'-VERT.

NOTE: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables well pad and/or access to at least two (2) working days prior to construction.

VANN SURVEY
 304 N. Locks
 Farmington, N



**BURLINGTON
RESOURCES**

SAN JUAN 27-4 UNIT 41M
NW¼ Section 7
T27N, R4W, NMPM

1100' FOREST New Road Construction
T27N, R4W
Section 7: Lot 2 - 700'
NE¼ SW¼ - 400'

APD Map # 1

