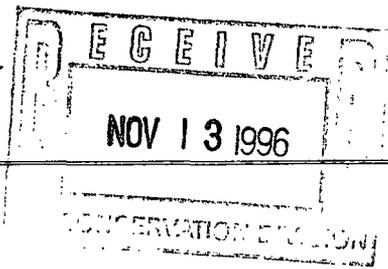


NSL 12/3/96

BURLINGTON RESOURCES



SAN JUAN DIVISION
November 11, 1996

Sent Federal Express

Mr. William LeMay
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

NSL BR.DK

Re: Whitley A #2E
1050'FNL, 1230'FWL Section 17, T-27-N, R-11-W, San Juan County, New Mexico
API # 30-045-(not yet assigned)

Dear Mr. LeMay:

Burlington Resources is applying for administrative approval of a non-standard location for the above location in the Dakota formation. This application for the referenced location is due to proximity of Navajo Agricultural Products Industry (NAPI) fields, water and gas pipelines. A map is included showing the NAPI fields.

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

A copy of this application is being submitted to all offset owners/ operators by certified mail with a request that they furnish you with a Waiver of Objection, and return one copy to this office. In accordance with Rule 1207 A.5, all parties should be advised that if they have an objection, it must be filed in writing within twenty days from this date.

We appreciate your earliest consideration of this application.

Sincerely,

Peggy Bradfield
Regulatory/Compliance Representative
encs.

WAIVER

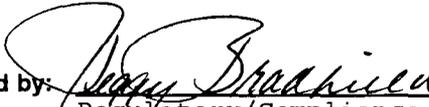
_____ hereby waives objection to Burlington Resources' application for a non-standard location for their Whitley A #2E as proposed above.

By: _____ Date: _____

xc: Marathon
Conoco
Pro Management Inc.
Texaco

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 NM-02988 Unit Reporting Number | |
| 1b. Type of Well GAS | 6. If Indian, All. or Tribe Navajo Surface | |
| 2. Operator BURLINGTON RESOURCES Oil & Gas Company | 7. Unit Agreement Name | |
| 3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 | 8. Farm or Lease Name Whitley A 9. Well Number 2E | |
| 4. Location of Well 1050' ENL, 1230' FWL Latitude 36° 34.8, Longitude 108° 01.9 | 10. Field, Pool, Wildcat Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec 17, T-27-N, R-11-W API # 30-045- | |
| 14. Distance in Miles from Nearest Town 3.5 miles to Hilltop | 12. County San Juan | 13. State NM |
| 15. Distance from Proposed Location to Nearest Property or Lease Line 1050' | | |
| 16. Acres in Lease | 17. Acres Assigned to Well 320 W/2 | |
| 18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 2200' | | |
| 19. Proposed Depth 6700' | 20. Rotary or Cable Tools Rotary | |
| 21. Elevations (DF, FT, GR, Etc.) 6154' 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>10/29/96</u> Date | |

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

Archaeological Report submitted by Arboles Contract Archaeology
Threatened and Endangered Species Report submitted by Ecosphere
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer 00, 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 back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--------------------------|--|--------------------------------------|--|-----------------------------|----------------------|
| 1 APT Number 30-045- | | 2 Pool Code 71599 | | 3 Pool Name Basin Dakota | |
| 4 Property Code 18639 | | 5 Property Name Whitley A | | | 6 Well Number 2E |
| 7 OGRID No. 14538 | | 8 Operator Name MERIDIAN OIL INC. | | | 9 Elevation 6154' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 17 | 27 N | 11 W | | 1050 | North | 1230 | West | S.J. |

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 Dedicated Acres 7/320 | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|-----------------------------|--------------------|-----------------------|--------------|

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

| | |
|--|--|
| | <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Peggy Bradfield</i> Signature</p> <p>Peggy Bradfield Printed Name</p> <p>Regulatory Administrator Title</p> <p>6-17-96 Date</p> |
| | <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10-24-95 Date of Survey</p> <p>Signature and Title of Professional Surveyor: Certificate Number</p> |

OPERATIONS PLAN

Well Name: Whitley A #2E
Location: 1050' FNL, 1230' FWL Section 17, T-27-N, R-11-W
 San Juan County, New Mexico
 Latitude 36° 34.8, Longitude 108° 01.9
Formation: Basin Dakota
Elevation: 6154' GL

| <u>Formation Tops:</u> | <u>Top</u> | <u>Bottom</u> | <u>Contents</u> |
|------------------------|------------|---------------|------------------|
| Surface | Nacimiento | 690' | |
| Ojo Alamo | 690' | 836' | aquifer |
| Kirtland | 836' | 1644' | |
| Fruitland | 1644' | 1896' | gas |
| Pictured Cliffs | 1896' | 2742' | gas & oil |
| Chacra | 2742' | 3415' | salt water |
| Cliff House | 3415' | 3451' | salt water |
| Menefee | 3451' | 4408' | salt water & gas |
| Pt. Lookout | 4408' | 4624' | salt water |
| Mancos | 4624' | 5438' | |
| Gallup | 5437' | 6277' | gas & oil |
| Greenhorn | 6277' | 6337' | gas & oil |
| Graneros | 6337' | 6450' | gas & oil |
| Dakota | 6450' | | gas & oil |
| Total Depth | | 6700' | |

Logging Program:

Mud Logs/Coring/DST -
 Mud logs - 1700' to TD.
 Coring - none
 DST - none
 Electric logs - DIL/SP/GR; Density/Neut/GR; Microlog-GR;

Mud Program:

| <u>Interval</u> | <u>Type</u> | <u>Weight</u> | <u>Vis.</u> | <u>Fluid Loss</u> |
|-----------------|-------------|---------------|-------------|-------------------|
| 0- 320' | Spud | 8.4-8.9 | 40-50 | no control |
| 320-6700' | LSND | 8.4-9.0 | 40-60 | no control |

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

Casing Program:

| <u>Hole Size</u> | <u>Depth Interval</u> | <u>Csg. Size</u> | <u>Wt.</u> | <u>Grade</u> |
|------------------|-----------------------|------------------|------------|--------------|
| 12 1/4" | 0' - 320' | 8 5/8" | 24.0# | K-55 |
| 7 7/8" | 0' - 6700' | 4 1/2" | 11.6# | N-80 |

Tubing Program:

0' - 6700' 2 3/8" 4.7# J-55 EUE

BOP Specifications, Wellhead and Tests:

Surface to 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.

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

6" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams and casing top will be tested to 3000 psi for 15 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Wellhead -

8 5/8" x 4 1/2" 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.
- A BOP pit level drill will be conducted weekly for each drilling crew.
- All of the BOP tests and drills will be recorded in the daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

8 5/8" surface casing -

Cement to surface w/336 sx Class "B" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (396 cu.ft. of slurry, 200% excess to circulate to surface.) WOC 12 hours prior to drilling out surface casing. 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.

Production Casing - 4 1/2"

First Stage: Cement to circulate to stage tool @ 4700'. Lead w/685 sx 50/50 Premium Class "B" Pozmix w/6% gel, 1/4#/sx cellophane flakes, 5 pps gilsonite, 0.4% dispersant. (911 cu.ft. of slurry, excess 100%). WOC 4 hours prior to pumping second stage.

Second Stage: Lead w/707 sx Standard Class "B" w/3% Econolite (extender), 0.5 pps cellophane flakes, and 5 pps gilsonite. Tail w/100 sx Class "B" cement. (2141 cu.ft. of slurry, 100% excess). WOC a minimum of 18 hours prior to cleanout.

Float shoe on bottom. Three centralizers run every other joint above shoe. Thirty-three centralizers - one every 4th joint to the base of the Ojo Alamo @ 836'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 836'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

- If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.
- The pipe will be rotated and/or reciprocated, if hole conditions permit.

Additional Information:

- The Dakota formation will be completed.
- No abnormal temperatures or hazards are anticipated.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The west half of Section 17 is dedicated to this well.
- This gas is dedicated.
- New casing will be utilized.
- Anticipated pore pressure for Pictured Cliffs and Fruitland Coal is 300 psi.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.


Drilling Engineer

6/19/96
Date

BURLINGTON RESOURCES

Whitley A #2E

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. None required.
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. Threatened and Endangered Survey from Ecosphere for well pad attached.
 - b. Off the Well Pad - pipeline right of way 712.9 feet as shown on attached plat from William Gas Processing. Threatened and Endangered Survey from Ecosphere for pipeline attached.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from Hilltop Water Well located in SW/4 of Section 26, T-27-N, R-11-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 reseeded operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeded 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 - Navajo Tribe
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

10/28/96
Date

BIA CASE FILE #: N48-96-10
DATE REVIEWED BY: S-13-96
REVIEWED BY: CARVIN SIM
(FOR BIA USE ONLY)

NAVAJO INDIAN IRRIGATION PROJECT
304 NORTH AUBURN, SUITE B
FARMINGTON, NM 87401

Date: 5-21-96

RE: NIIP ARCHEOLOGICAL AND HISTORICAL CLEARANCE UPDATE (Project Description): R/W
APPLICATION FOR SOUTHLAND ROYALTY Co.

Dear Project Manager:

I hereby request archeological clearance for a project which I believe is located entirely within the boundaries of the Navajo Indian Irrigation Project. This project will consist of (brief description): GAS WELL WITH
AUXILIARY EQUIPMENT.
: and is designated by the following name and/or number in our company files; SOUTHLAND ROYALTY Co.
1050' NL - 1230' NL
shown on the attached map(s); 3 copies provided and enclosed.

The project is located in Township 27 N, Range 11 W, Section 17 in the NW 1/4 of the NW 1/4 of the SE 1/4 (describing a 10 acre parcel). Access will be obtained as also shown on the attached map. No more than 1 acres (hectares) will be used or occupied considering all direct and indirect effects of proposed project activities.

I certify that I am the duly authorized agent of the proposed project sponsor and will take responsibility for the accuracy of the information submitted above. When clearance is received, I will assure that the instructions as indicated below and in any future guidance from you for this project will be followed.

Southland Royalty Co.
Signature

Archeological clearance for the area described is hereby granted under the terms of the Memorandum of Agreement for Protection of Archeological and Historical resources in the Navajo Indian Irrigation Project consummated by the Advisory Council for Historic Preservation on July 17, 1977.

The area of the currently proposed project was intensively inventoried for archeological and historical resources as documented in (Report # 79-NM-175). These sites (listed by number) were located in the area of this newly proposed project: None

These sites (listed by number) were located within 100 feet (33 meters) of the newly proposed project and special efforts should be taken to avoid inadvertent impacts in these areas: None

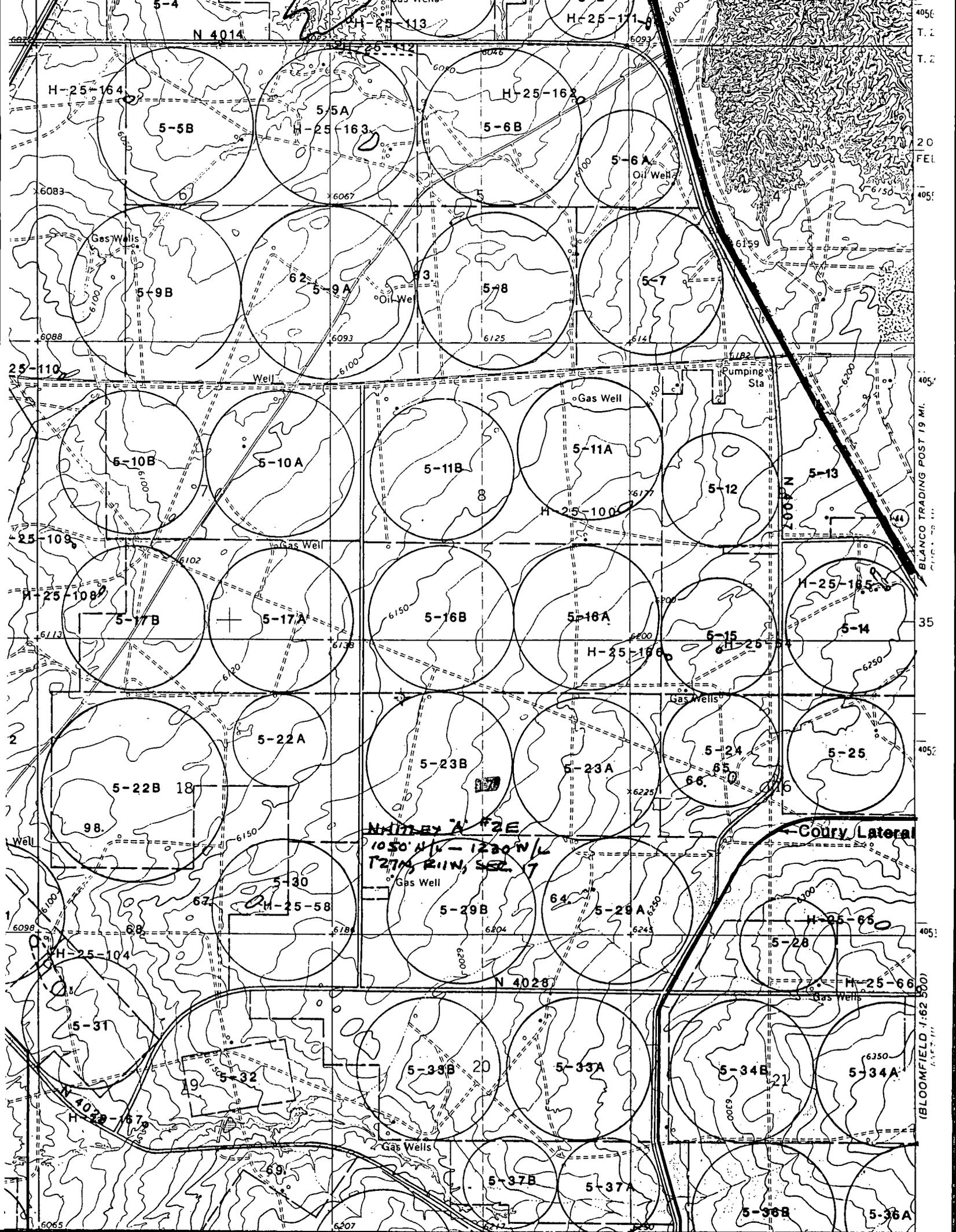
This clearance does not constitute approval of right-of-way, concurrence in the proposed action by the Bureau of Indian Affairs, or approval to proceed with the project. This clearance constitutes one of several mandated requirements which must be completed prior to the granting of rights-of-way, easements, or approval by the BIA for land modifying projects proposed within the Navajo Indian Irrigation Project boundaries.

IT IS THE RESPONSIBILITY OF THE PROJECT SPONSOR TO ACQUAINT CONTRACTORS AND SUB-CONTRACTORS WITH THE BOUNDARIES FOR WHICH THIS CLEARANCE IS GRANTED.

Discovery Clause (36 CFR Part 800.7) Should any archeological or historical resources be discovered during project operations, all work must cease in the immediate area of the exposed resource. The Navajo Tribal Archeologist and the BIA Navajo Area Archeologist shall be notified to arrange an on-site inspection for the purpose of determining the significance and disposition of the remains. Such discoveries may be subject to the provisions and prohibitions of the Archeological Resources Protection Act (P.L. 93-95, Title 43 CFR, Part 7).

THE PROJECT SPONSOR IS RESPONSIBLE FOR ADVISING CONTRACTORS AND SUB-CONTRACTS OF THIS REQUIREMENT AND ASSURING HIS COMPLIANCE.

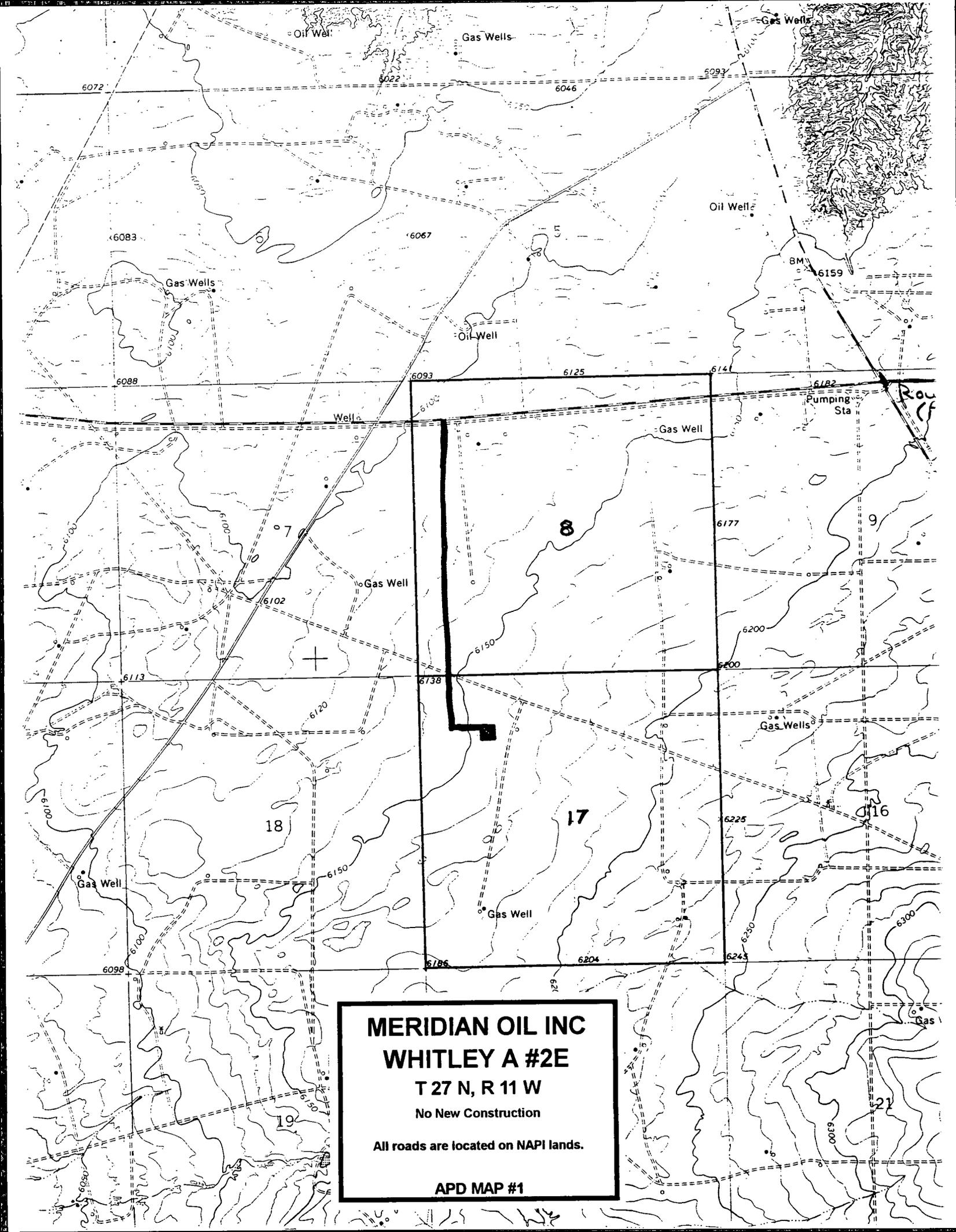
Carvin Sim 5-21-96
NIIP Project Date



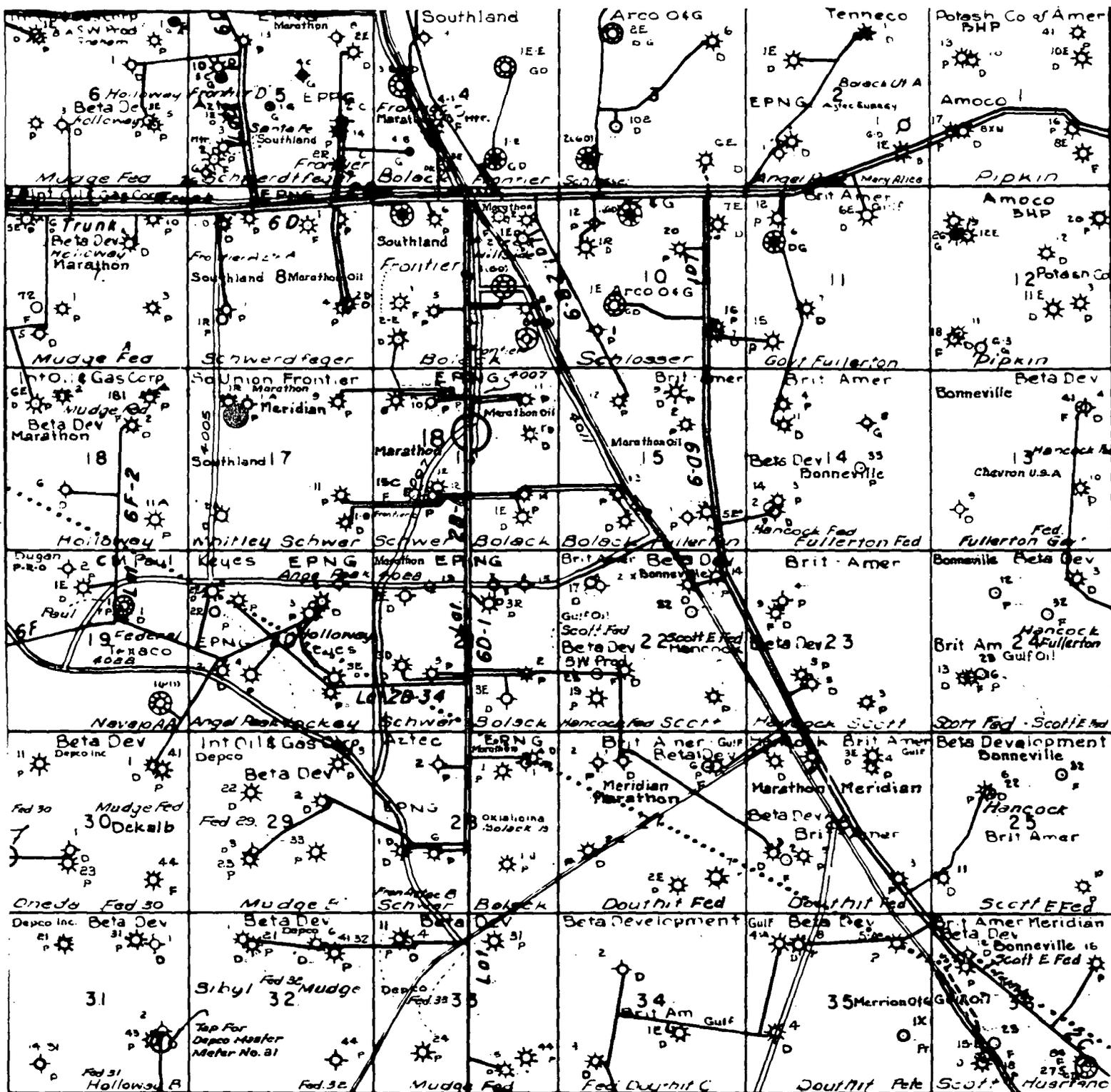
WATER BY A FZE
1050 N 1/4 - 1230 N 1/4
T27N R11W, SEC. 7

Corry Lateral

4056
T. 2
T. 2
20
FEI
4055
4054
4053
BLANCO TRADING POST 19 MI.
35
4052
4051
4050
BLOOMFIELD 1-62 500



MERIDIAN OIL INC
WHITLEY A #2E
T 27 N, R 11 W
No New Construction
All roads are located on NAPI lands.
APD MAP #1



MERIDIAN OIL INC.
 Pipeline Map
 T-27-N, R-11-W
 San Juan County, New Mexico

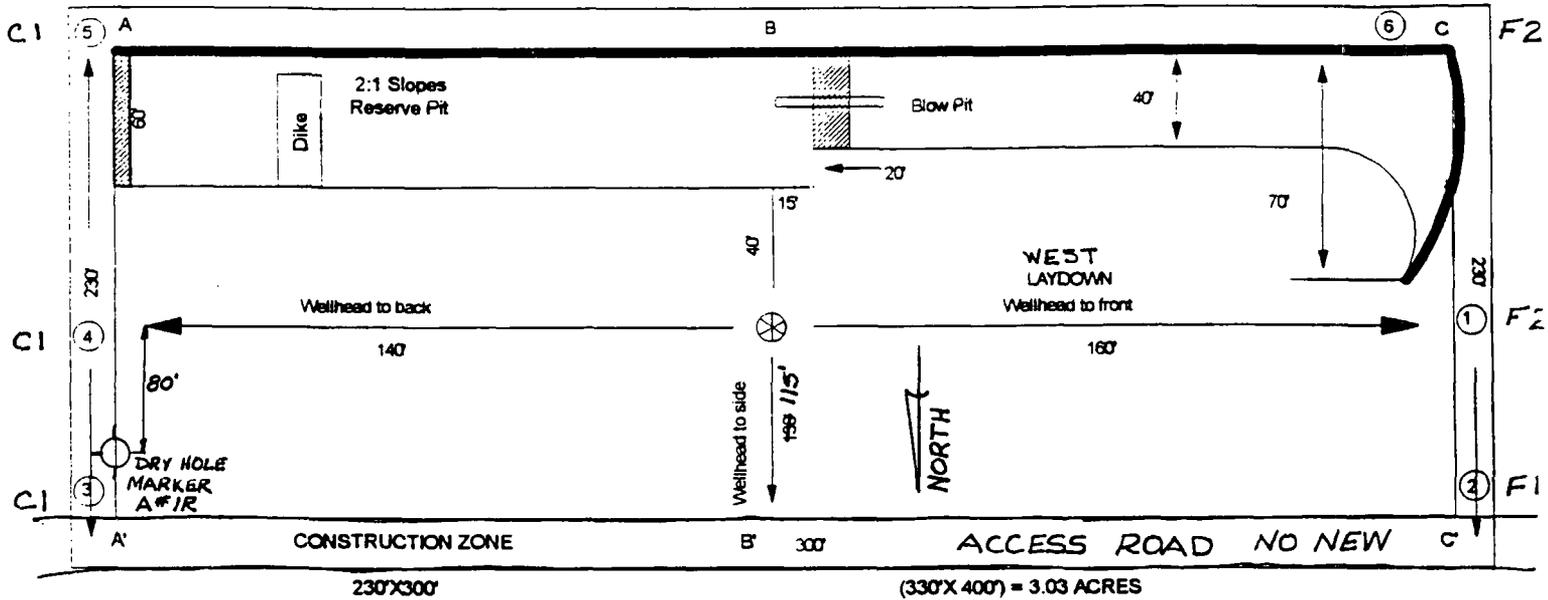
Whitley A #2E
 MAP #1A

MERIDIAN OIL

PLAT #1

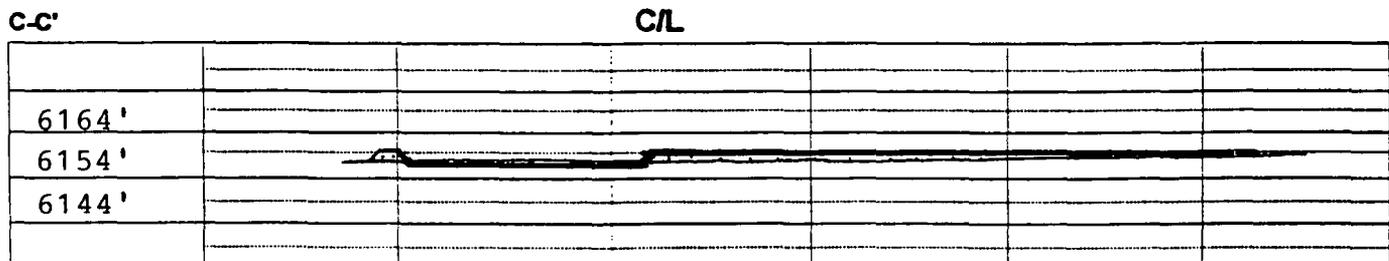
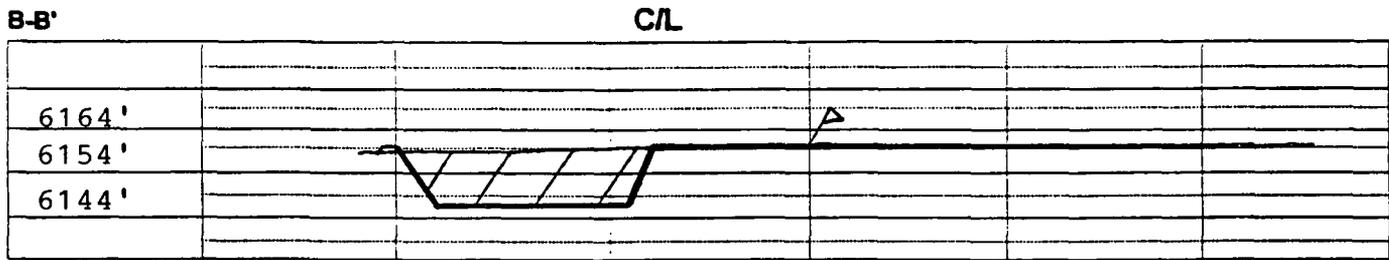
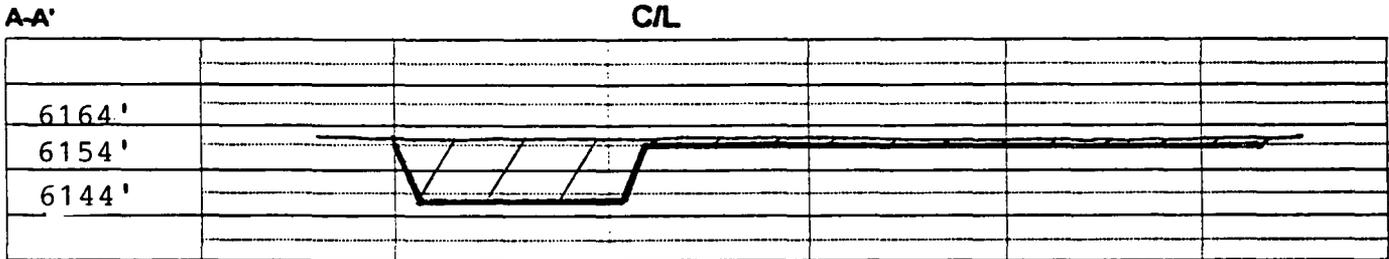
PC/FC LOW POTENTIAL

| | | | |
|------------|---------------|----------|-------------------|
| NAME: | Whitley A #2E | | |
| FOOTAGE: | 1050 FNL | 1230 FWL | |
| SEC | 17 | TWN | 27 N.R. 11 W NMPM |
| CO: | San Juan | ST: | New Mexico |
| ELEVATION: | 6154' | DATE: | 10-24-95 |



Reserve Pit Dike : to be 8' above Deep side; (overflow - 3' wide and 1' above shallow side.)

Blow Pit : overflow pipe halfway between top and bottom and extend over plastic liner and into blow pit.



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

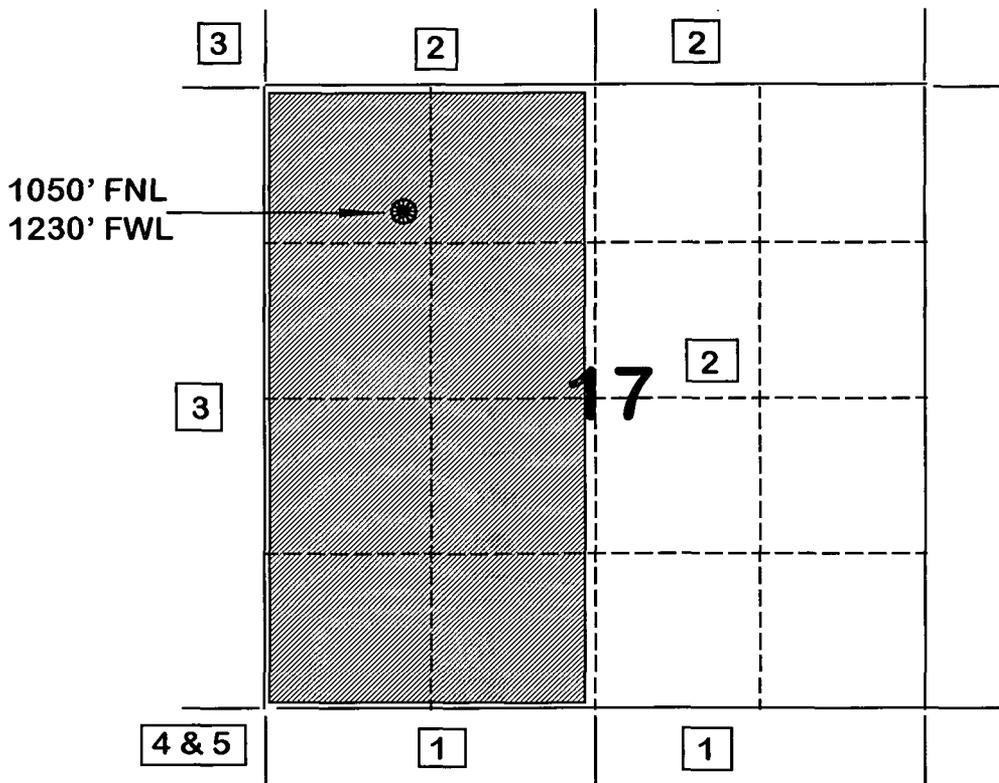
BURLINGTON RESOURCES OIL AND GAS COMPANY

Whitley A #2E

**OFFSET OPERATOR \ OWNER PLAT
Nonstandard Location**

Dakota Formation Well

Township 27 North, Range 11 West



- 1) Burlington Resources Oil and Gas Company Successor to Meridian Oil Inc.
- 2) Marathon Oil Company
P.O. Box 552
Midland, TX 79702
- 3) Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
- 4) Pro Management Inc.
LB 158 Glen Lakes Tower #1313
9400 North Central Expwy
Dallas, TX 75231
- 5) Texaco Exploration & Production Inc.
P.O. Box 2100
Denver, CO 80201

Pro Management Inc.
c/o Engineering & Production Service Inc.
P.O. Box 190
Farmington, NM 87499

Re: Whitley A #2E
1050'FNL, 1230'FWL Section 17, T-27-N, R-11-W, San Juan County, New Mexico
API # 30-045-(not yet assigned)

I hereby certify that the following offset operators/owners have been mailed notification of our application for non-standard location to drill the referenced well.

Marathon Oil Company
PO Box 552
Midland, TX 79702

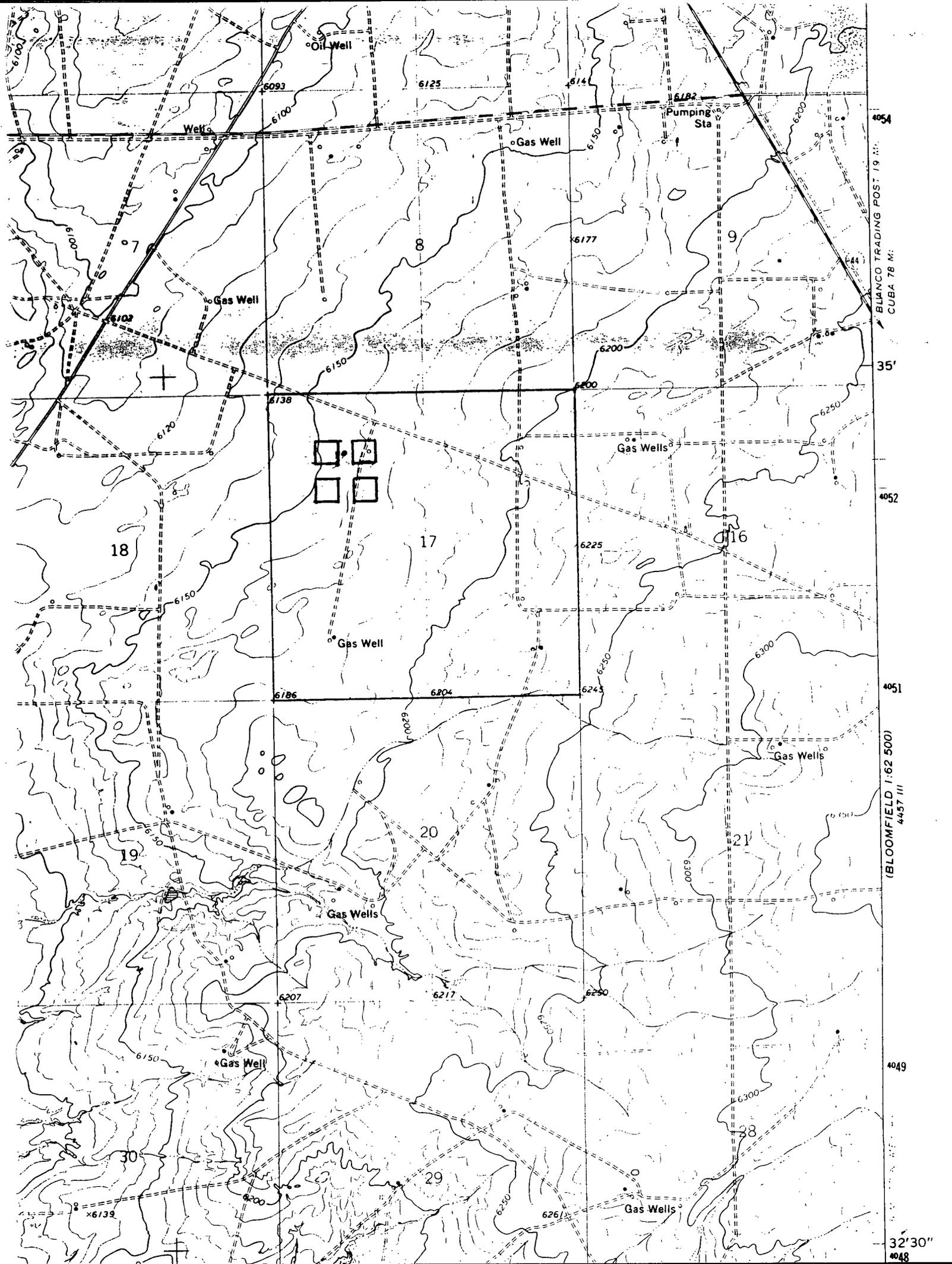
Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Pro Management Inc.
c/o Engineering & Production Service Inc.
PO Box 190
Farmington, NM 87499

Texaco Exploration & Production
PO Box 2100
Denver, CO 80201

A handwritten signature in cursive script, appearing to read "Peggy Bradfield".

Peggy Bradfield
Regulatory/Compliance Administrator



BLANCO TRADING POST 19 MI.
CUBA 76 MI.

(BLOOMFIELD 1:62 500)
4457 III

4048

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: BURLINGTON RESOURCES WHITLEY #2E (NSL)
Date: Friday, November 22, 1996 11:27AM
Priority: High

WHITLEY #2E
1050' FNL; 1230' FWL
D-17-27N-11W
RECOMMEND: APPROVAL