

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:

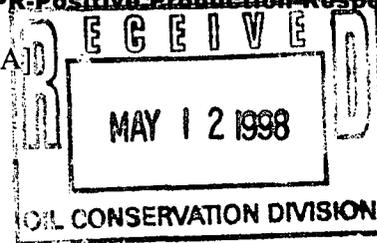
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [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

PC12.

[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 5-9-98

BURLINGTON RESOURCES

SAN JUAN DIVISION

May 9, 1998

Sent Federal Express

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

Re: San Juan 29-7 Unit #163
1985'FSL, 2135'FWL, Section 10, T-29-N, R-7-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 the Blanco Pictured Cliffs pool. This application for the referenced location is for topographic and at the request of the landowner, Mr. Fidel Candelaria, to stay by the road and out of the wash.

Production from the Blanco Pictured Cliffs pool is to be included in a 160 acre gas spacing and proration unit comprising of the southwest half (SW/4) of Section 10.

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

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-078399 Unit Reporting Number	
1b. Type of Well GAS	6. If Indian, All. or Tribe	
2. Operator BURLINGTON RESOURCES Oil & Gas Company	7. Unit Agreement Name San Juan 29-7 Unit	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	8. Farm or Lease Name San Juan 29-7 Unit 9. Well Number 163	
4. Location of Well 1985' FSL, 2135' FWL Latitude 36° 44.3, Longitude 107° 33.6	10. Field, Pool, Wildcat Blanco Pic.Cliffs 11. Sec., Twn, Rge, Mer. (NMPM) Sec 10, T-29-N, R-7-W API # 30-039-	
14. Distance in Miles from Nearest Town 2 miles from Navajo City	12. County RA	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1985'	17. Acres Assigned to Well 160	
16. Acres in Lease	17. Acres Assigned to Well 160	
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 1000'	20. Rotary or Cable Tools Rotary	
19. Proposed Depth 3400	20. Rotary or Cable Tools Rotary	
21. Elevations (DF, FT, GR, Etc.) 6280' GR	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by:  Regulatory/Compliance Administrator	Date 4-17-98	

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-1
Revised February 21, 19
Instructions on page
Submit to Appropriate District Office
State Lease - 4 Code
Fee Lease - 3 Code

District II
PO Drawer 20, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

AMENDED REPORT

District IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-039		2 Pool Code 72359		3 Pool Name Blanco Pictured Cliffs	
4 Property Code 7465		5 Property Name SAN JUAN 29-7 UNIT			6 Well Number 163
7 OGRID No. 14538		8 Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY			9 Elevation 6280'

10 Surface Location

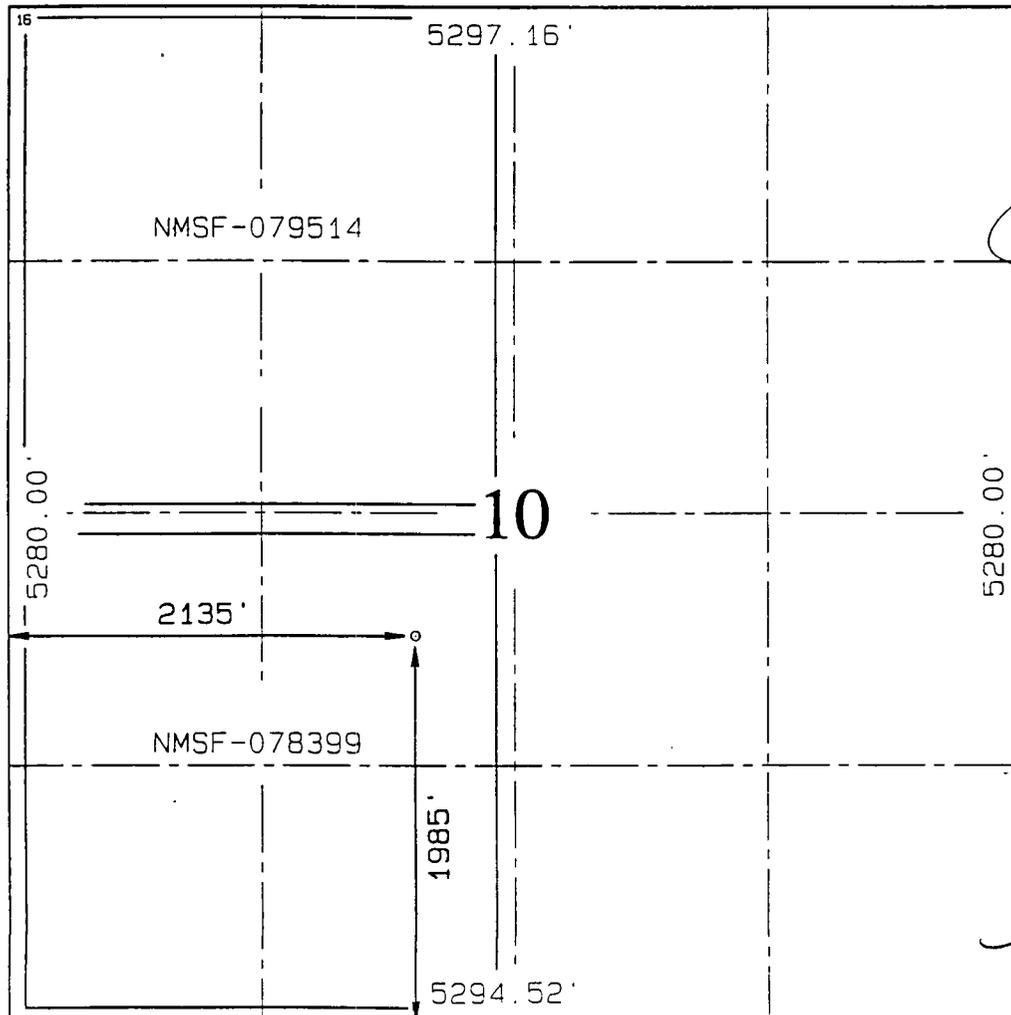
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	10	29N	7W		1985	SOUTH	2135	WEST	RIO ARriba

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

12 Acres 160 W/320	13 Joint or Infill	14 Consolidation Code	15 Order No. 160 acres for density purposes for the PC 320 acres for revenue purposes for the PC
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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 herein is true and complete to the best of my knowledge and belief.

Peggy Bradfield
Signature
Peggy Bradfield
Printed Name
Regulatory Administrator
Title
Date **4-17-98**

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

FEBRUARY 19, 1998
Date of Survey
Signature and Seal of Professional Surveyor
NEALE C. EDWARDS
NEW MEXICO
68578
Professional Surveyor
Certificate Number

OPERATIONS PLAN

Well Name: San Juan 29-7 Unit #163
Location: 1985' FSL, 2135' FWL Section 10, T-29-N, R-7-W
 Rio Arriba County, New Mexico
 Latitude 36° 44.3', Longitude 107° 33.6'
Formation: Blanco Pictured Cliffs
Elevation: 6282' GL

Formation:	Top	Bottom	Contents
Surface	San Jose	2046'	
Ojo Alamo	2046'	2311'	aquifer
Kirtland	2311'	2842'	
Fruitland	2842'	3088'	gas
Pictured Cliffs	3088'		gas
Total Depth	3400'		

Logging Program: SFL-LDT-APS.

Coring Program: none

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
200-3400'	LSND	8.4-9.0	40-60	no control

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

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csq. Size</u>	<u>Wt.</u>	<u>Grade</u>
8 3/4"	0 - 200'	7"	20.0#	K-55
6 1/4"	0 - 3400'	4 1/2"	10.5#	K-55

Tubing Program: - none

Float Equipment: 7" surface casing - saw tooth guide shoe.
 Centralizers will be run in accordance with Onshore Order #2.

4 1/2" production casing - float shoe on bottom. Three centralizers run every other joint above shoe. Seven centralizers run every 3rd joint to the base of the Ojo Alamo @ 2311'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 2311'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 7" x 4 1/2" 2000 psi screw on independent wellhead.

San Juan 29-7 Unit #163

Cementing:

7" surface casing - cement with 77 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (90 cu.ft. of slurry, 200% excess to circulate to surface). WOC 8 hrs. Test casing to 600 psi for 30 minutes.

4 1/2" production casing - Lead w/348 sx of 65/35 Class "B" w/6% gel, 2% calcium chloride, 1/4 pps cellophane and 5 pps gilsonite. Tail w/100 sx Class "B" Poz w/2% calcium chloride (767 cu.ft. of slurry, 120% excess to circulate to surface). WOC 8 hrs. If cement does not circulate to surface, a CBL will be run during completion to determine TOC.

BOP and tests:

Surface to TD - 11" 2000 psi (minimum double gate BOP stack (Reference Figure #1 and #2). Prior to drilling out surface casing, test rams to 600 psi/30 min.

Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams and casing to 2000 psi/15 min.

From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated to least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

- * The Pictured Cliffs formation will be completed.
- * Anticipated pore pressure for the Pictured Cliffs is 800 psi.
- * This gas is dedicated.
- * The southwest quarter of the section is dedicated to the Pictured Cliffs.
- * New casing will be utilized.

Richard C. White
Drilling Engineer

April 24 1958
Date

BURLINGTON RESOURCES

San Juan 29-7 Unit #163
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.
 - b. Off the Well Pad - Anticipated pipeline facilities as shown on the attached plat from El Paso Field Services.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from San Juan 29-6 Water Well #1 in located in SW/4 Section 28, T-29-N, R-6-W, New Mexico.
6. Source of Construction Materials - If construction materials are required for the proposed project, such materials will be obtained from a commercial 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 - Fidel Candelaria
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 7-17-98
Date

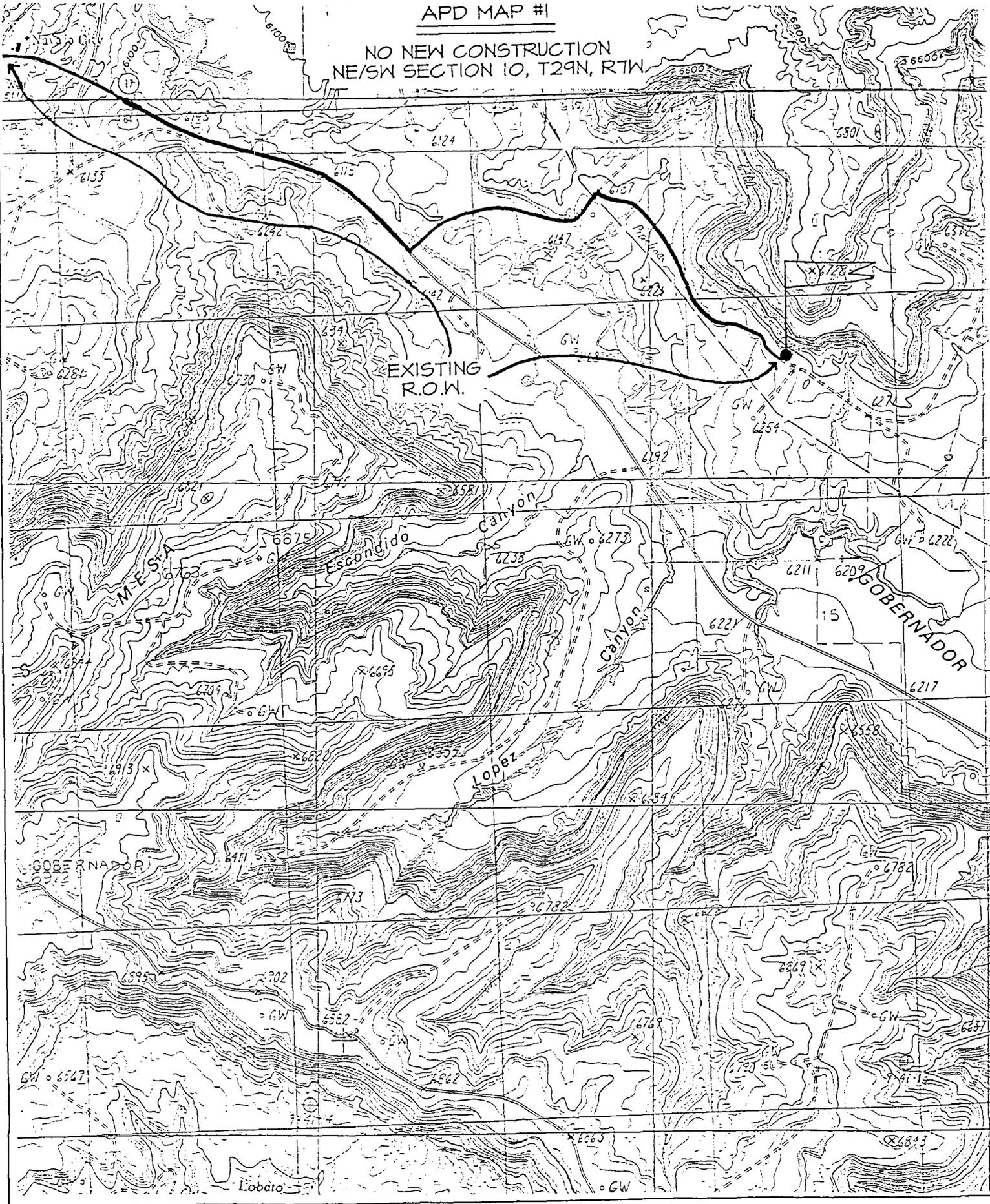
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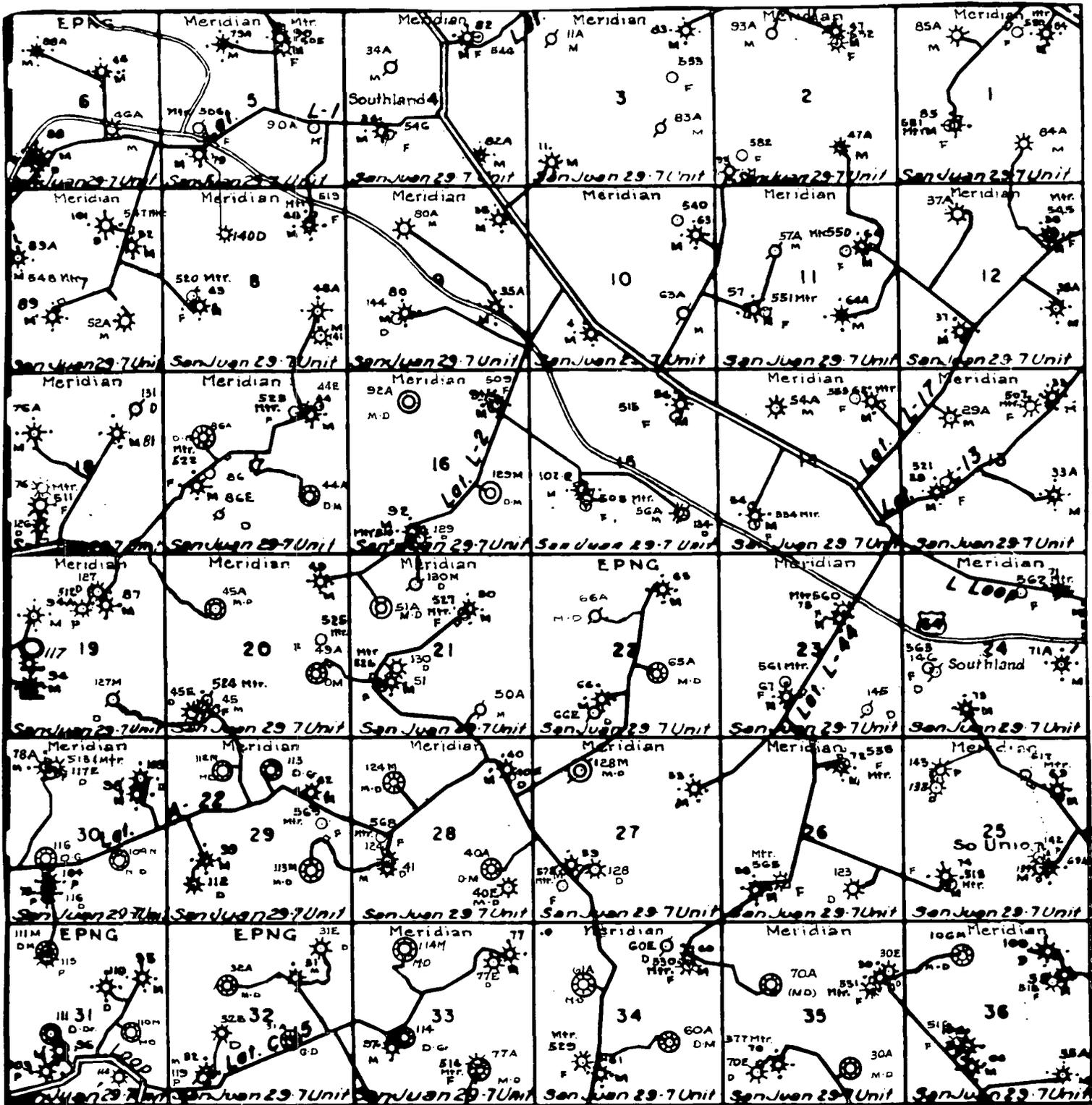
BURLINGTON RESOURCES OIL & GAS COMPANY SAN JUAN 29-7 UNIT #163

1985' FSL & 2135' FWL, SECTION 10, T29N, R7W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO

APD MAP #1

NO NEW CONSTRUCTION
NE/SW SECTION 10, T29N, R7W

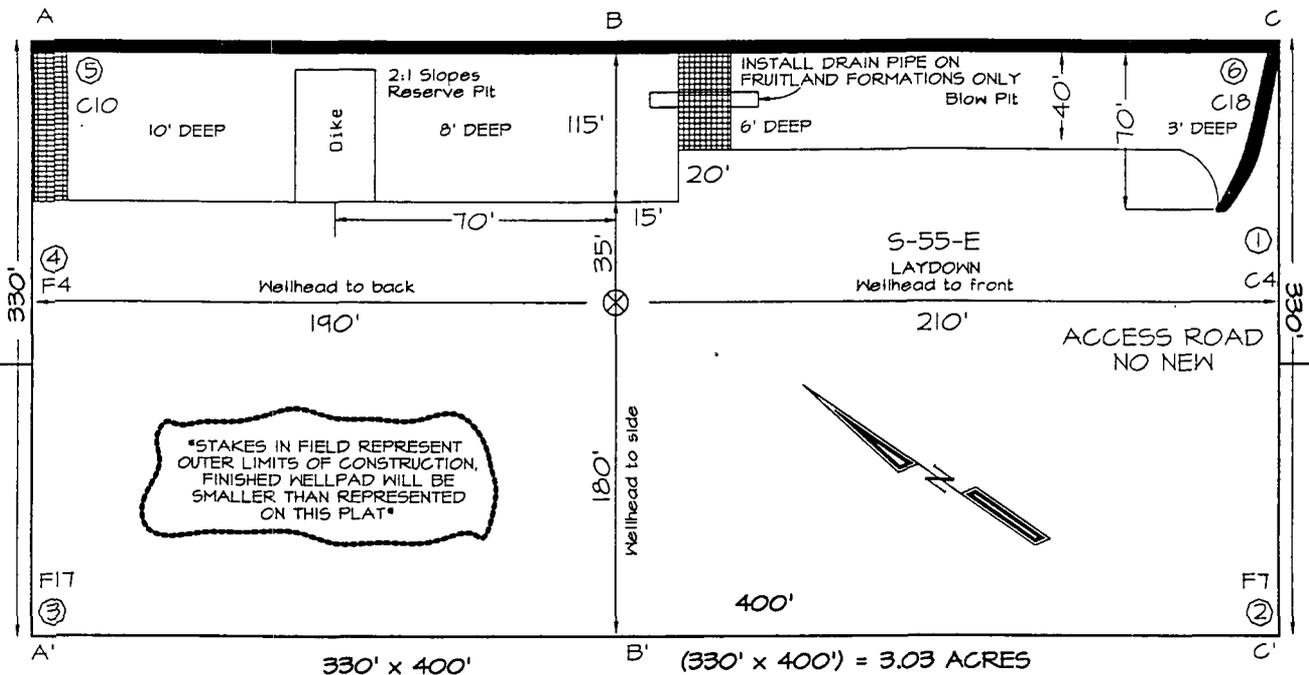




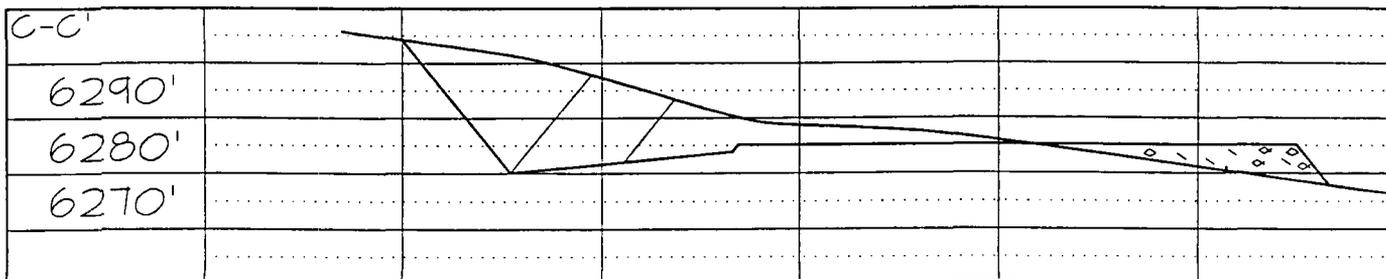
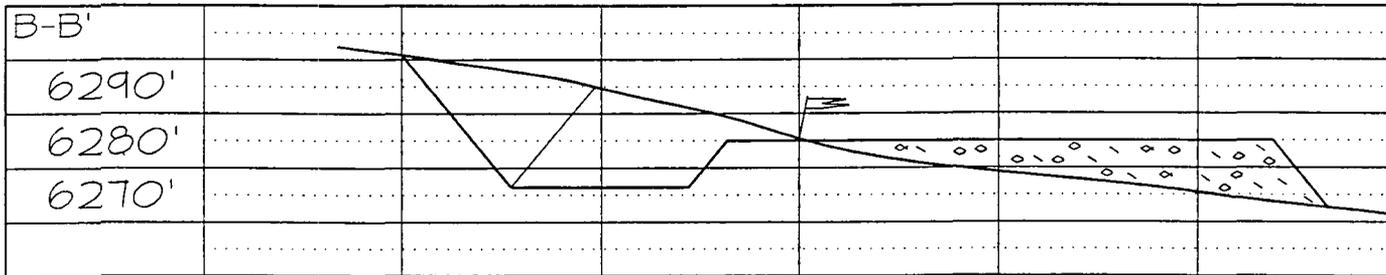
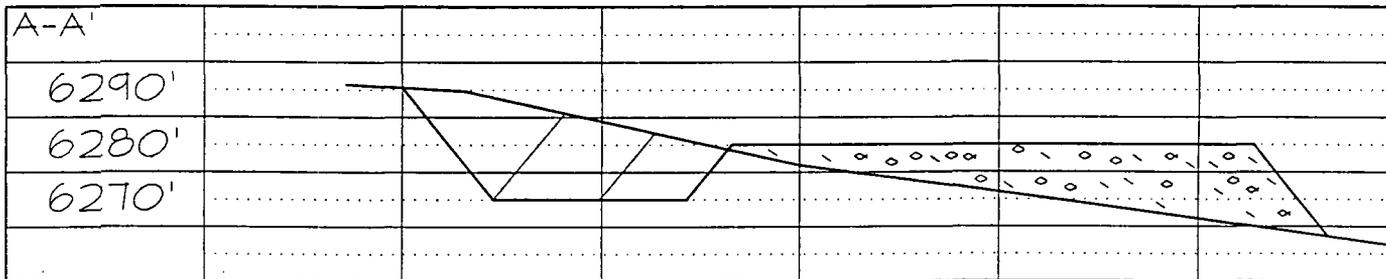
MERIDIAN OIL INC.
 Pipeline Map
 T-29-N, R-07-W
 Rio Arriba County, New Mexico
 San Juan 29-7 Unit 163
 Map 1A

PLAT #1

BURLINGTON RESOURCES OIL & GAS COMPANY
SAN JUAN 29-7 UNIT #163, 1985' FSL & 2135' FWL
SECTION 10, T29N, R7W, NMPM, RIO ARRIBA COUNTY, NEW MEXICO
GROUND ELEVATION: 6280' DATE: FEBRUARY 19, 1998



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 to extend over plastic liner and into blow pit



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

BURLINGTON RESOURCES OIL AND GAS COMPANY

San Juan 29-7 Unit #163

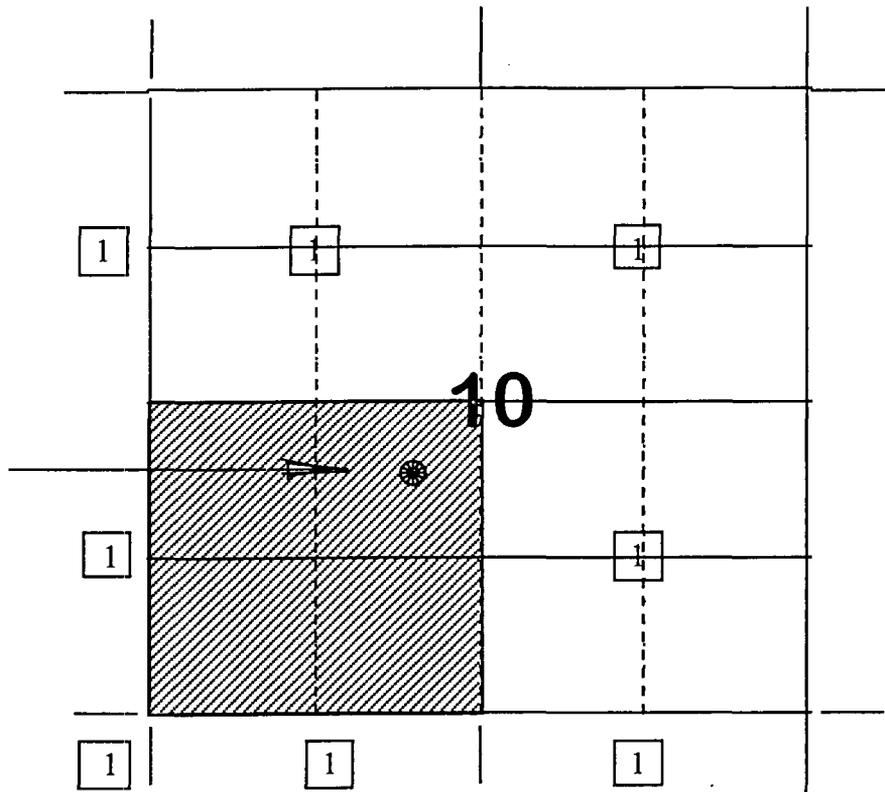
OFFSET OPERATOR/OWNER PLAT

Non Standard Location

Pictured Cliffs Formation Well

Township 29 North, Range 7 West

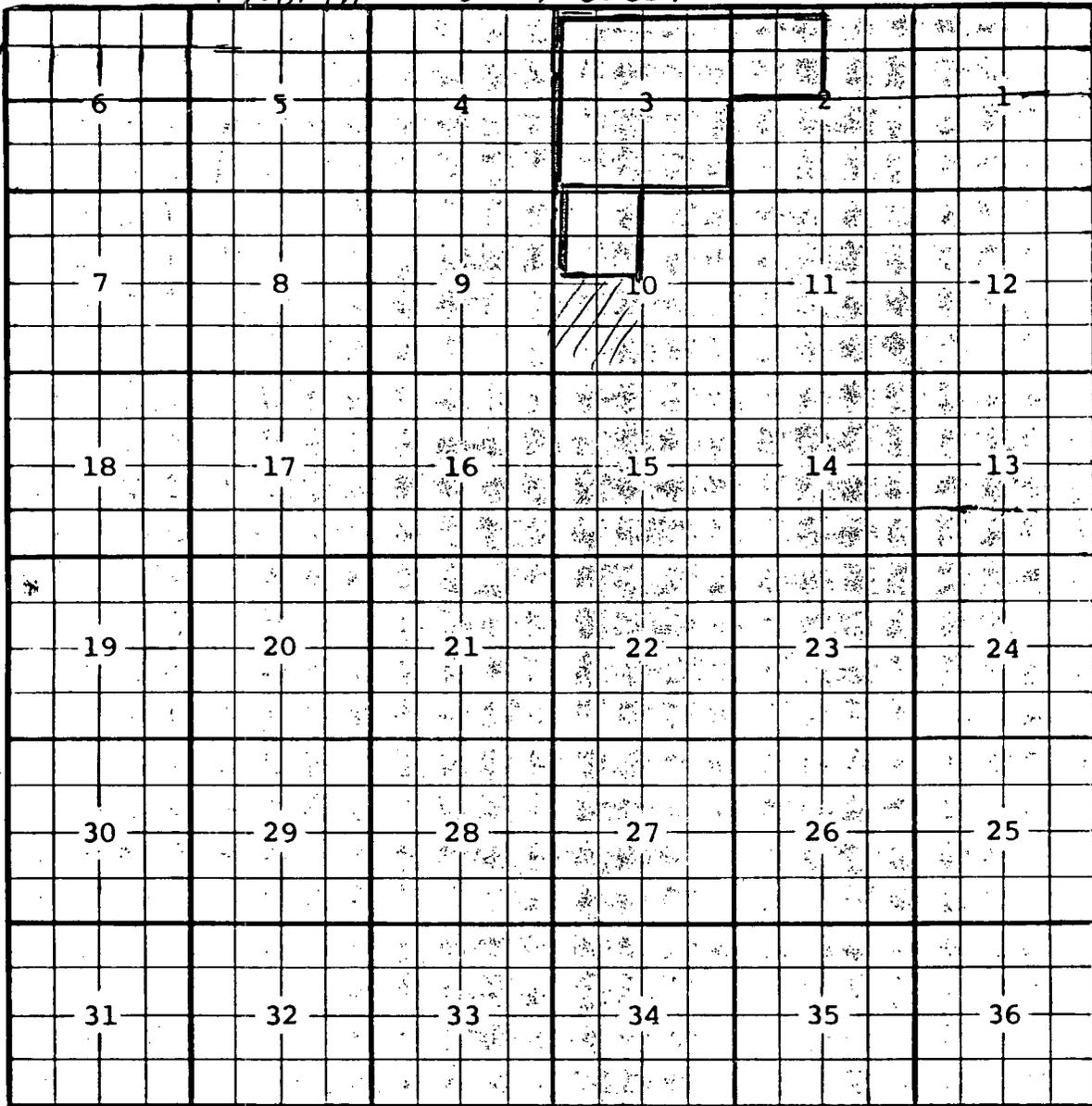
1985' FSL
2135' FWL



1) Burlington Resources

County Rio Arriba pool La Jara - Pictured Cliffs

TOWNSHIP 29 North Range 7 West NMPM



Ext. ^{NW} 1/4 Sec. 2, All Sec. 3 (R-10557, 3-11-96)

Ext. ^{NW} 1/4 Sec. 10 (R-10761, 2-10-97)