

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]

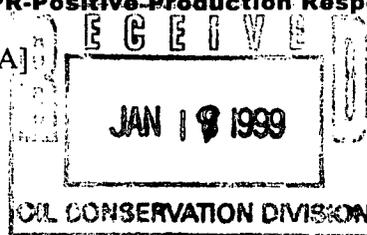
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [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

[Handwritten Signature]
 Signature

Title

Date

BURLINGTON RESOURCES

SAN JUAN DIVISION

January 18, 1999

Sent Federal Express

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Reese Federal #1R
1280'FSL, 1210'FEL Section 17, T-27-N, R-9-W, San Juan County, New Mexico
30-045-not assigned

Dear Mr. Stogner:

Burlington Resources is applying for administrative approval of an unorthodox gas well location for the Fulcher Kutz Pictured Cliffs pool.

This application for the referenced location is at the request of the Bureau of Land Management to avoid as much new surface disturbance as possible (only 200' new road required), rocky ledges which would require cut and fill for the location into solid rock in the SWSE and SESE of the section, the presence of archaeology in the NESE and NWSE, and a pipeline located in the NWSE of the section.

Production from the Fulcher Kutz Pictured Cliffs pool is to be included in 160 acre gas spacing for the southeast quarter (SE/4) in Section 17. This well will be drilled as a replacement for the Reese Federal #1 located at 1650' FSL 1632' FEL Section 17, T-27-N, R-9-W (30-045-06486). The Pictured Cliffs in the Reese Federal #1 was plugged and abandoned October 1990, and the well was recompleted to the Basin Fruitland Coal.

The following attachments are for your review:

- Application for Permit to Drill.
- Completed C-102 at referenced location.
- Offset operators/owners plat.
- 7.5 minute topographic map showing terrain 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

RECEIVED
55 OCT 16 11 1:16
OFFICE OF THE BUREAU OF LAND MANAGEMENT, NM

| | | |
|--|---|-----------------|
| 1a. Type of Work DRILL | 5. Lease Number NM-011393 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 | |
| 3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700 | 8. Farm or Lease Name Reese Federal 9. Well Number 1R | |
| 4. Location of Well 1280' FSL, 1210' FEL Latitude 36° 34.3, Longitude 107° 48.4 | 10. Field, Pool, Wildcat Fulcher Kutz PC 11. Sec., Twn, Rge, Mer. (NMPM) Sec 17, T-27-N, R-9-W API # 30-045- | |
| 14. Distance in Miles from Nearest Town 8 miles to Blanco | 12. County San Juan | 13. State NM |
| 15. Distance from Proposed Location to Nearest Property or Lease Line 1210' | | |
| 16. Acres in Lease | 17. Acres Assigned to Well SE/4 160 | |
| 18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 900' | | |
| 19. Proposed Depth 2500' | 20. Rotary or Cable Tools Rotary <small>This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.</small> | |
| 21. Elevations (DF, FT, GR, Etc.) 6332' GR | 22. Approx. Date Work will Start | |
| 23. Proposed Casing and Cementing Program See Operations Plan attached | DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS". | |
| 24. Authorized by: <u><i>[Signature]</i></u> (Regulatory) Compliance Administrator | <u>10/11/96</u> Date | |

PERMIT NO. _____ APPROVAL DATE 1/15/99
APPROVED BY *[Signature]* TITLE Accty Team Lead DATE 1/15/99

Archaeological Report to be submitted by Arboles Contract Archaeology
Threatened and Endangered Species Report submitted by Ecosphere dated 9-96
NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

OPERATOR

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

| | | | | | |
|-----------------------|--|------------------------------------|--|---|--------------------|
| API Number 30-045- | | Pool Code 77200 | | Pool Name Fulcher Kutz Pictured Cliffs | |
| Property Code | | Property Name Reese Federal | | | Well Number 1R |
| GRID No. 14538 | | Operator Name Meridian Oil Inc. | | | Elevation 6332' |

10 Surface Location

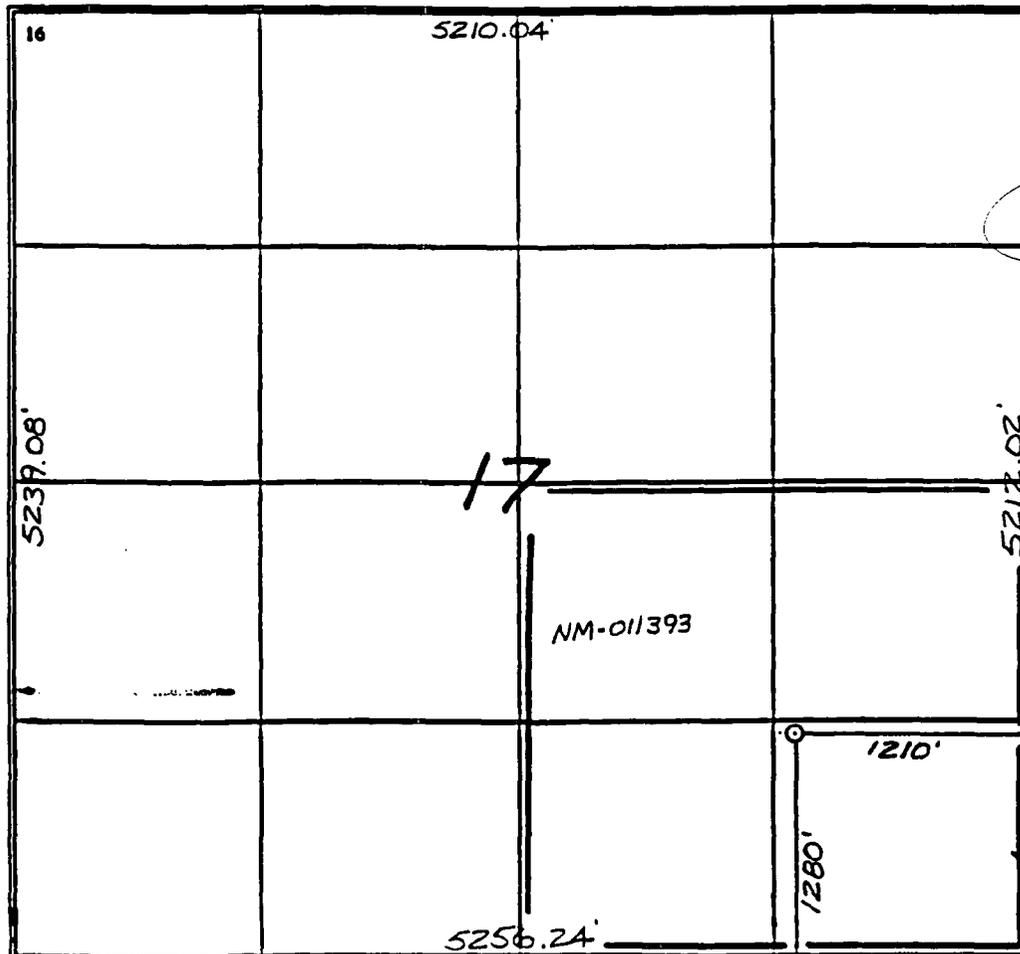
| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 17 | 27 N | 9 W | | 1280 | South | 1210 | East | S.J. |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|----------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres 1.60 | 13 Joint or Infill | 14 Consideration 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



17 OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Peggy Bradford
 Signature
 Peggy Bradford
 Printed Name
 Regulatory Administrator
 Title
 10/11/96
 Date

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.

7-19-96
 Date of Survey

Signature

 Certificate Number

OPERATIONS PLAN

Well Name: Reese Federal #1R
Location: 1280' FSL, 1210' FEL Section 17, T-27-N, R-9-W
 San Juan County, New Mexico
 Latitude 36° 34.3, Longitude 107° 48.4
Formation: Fulcher Kutz Pictured Cliffs
Elevation: 6332' GL

| Formation: | Top | Bottom | Contents |
|-----------------|------------|--------|----------|
| Surface | Nacimiento | 1342' | |
| Ojo Alamo | 1342' | 1468' | aquifer |
| Kirtland | 1468' | 2006' | |
| Fruitland | 2006' | 2267' | |
| Pictured Cliffs | 2267' | | gas |
| Total Depth | 2500' | | |

Logging Program: Hi Res Ind, Den/Neut, MRL/GR to Total Depth.

Mud Program:

| Interval | Type | Weight | Vis. | Fluid Loss |
|-----------|------|---------|-------|------------|
| 0- 120' | Spud | 8.4-8.9 | 40-50 | no control |
| 120-2500' | LSND | 8.4-9.0 | 40-60 | no control |

Casing Program:

| Hole Size | Depth Interval | Csg. Size | Wt. | Grade |
|-----------|----------------|-----------|-------|-------|
| 12 1/4" | 0 - 120' | 8 5/8" | 24.0# | K-55 |
| 7 7/8" | 0 - 2500' | 4 1/2" | 10.5# | K-55 |

Tubing Program: - 2 3/8", 4.7#, J-55 EUE 8rd tbg landed @ 2500'

Float Equipment: 8 5/8" 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. Four centralizers run every 3rd joint to the base of the Ojo Alamo @ 1468'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1468'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 8 5/8" x 4 1/2" x 2 3/8" x 11" 2000 psi screw on independent wellhead.

Reese Federal #1R

Cementing:

8 5/8" surface casing - cement with 129 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (149 cu.ft. of slurry, 200% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi for 30 minutes.

4 1/2" production casing - Lead w/496 sx of 65/35 Class "B" Poz w/6% gel, 2% calcium chloride, and 1/4# flocele/sx. Tail w/100 sx Class "B" w/2% calcium chloride (997 cu.ft. of slurry, 75% excess to circulate to surface). WOC 12 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 300 psi.
- * This gas is dedicated.
- * The southeast quarter of the section is dedicated to the Pictured Cliffs.
- * New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.



Drilling Engineer



Date

BURLINGTON RESOURCES

Reese Federal #1R 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 200' 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 facilities off the well pad will be applied for as required.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from Ten Mile Water Hole #1 located SW Section 17, T-28-N, R-8-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 - Bureau of Land Management
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

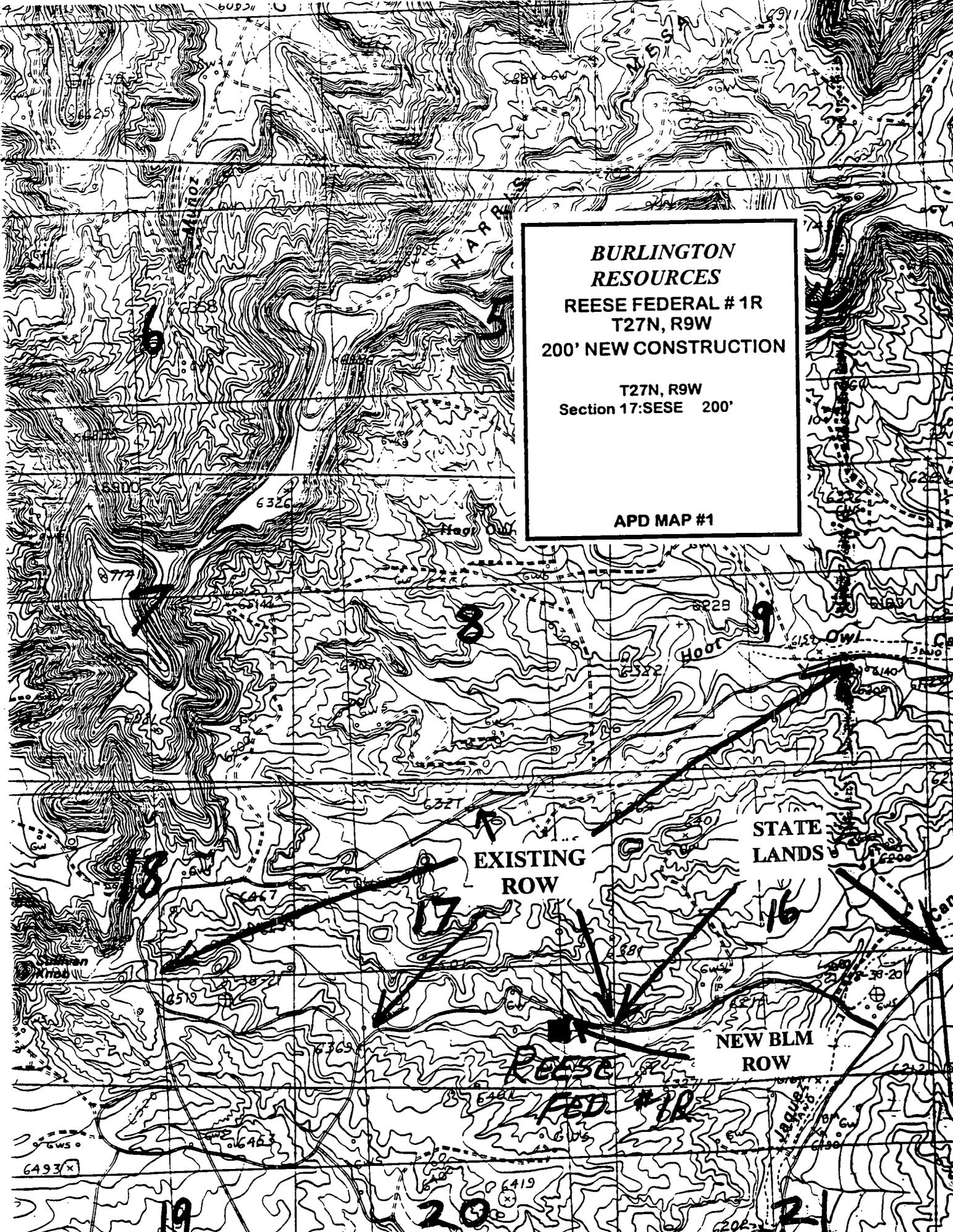
9/3/96 _____
Date

pb

**BURLINGTON
RESOURCES**
REESE FEDERAL # 1R
T27N, R9W
200' NEW CONSTRUCTION

T27N, R9W
Section 17:SESE 200'

APD MAP #1

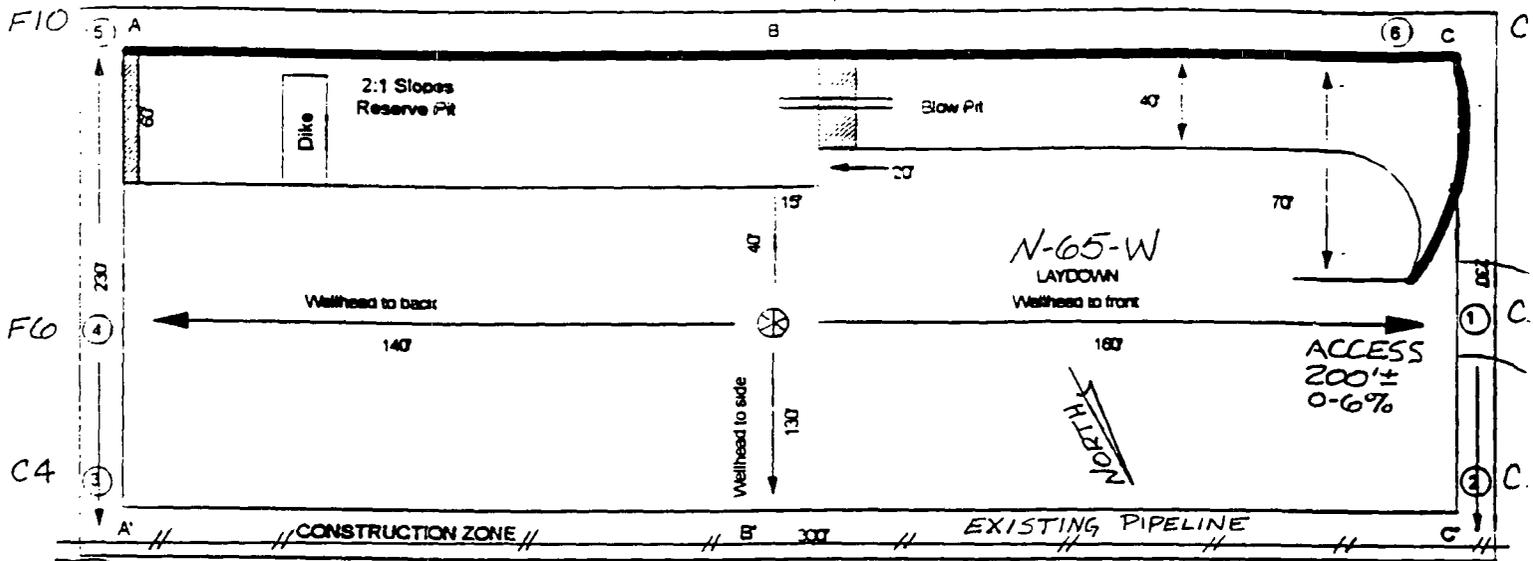


MERIDIAN

PLAT #1

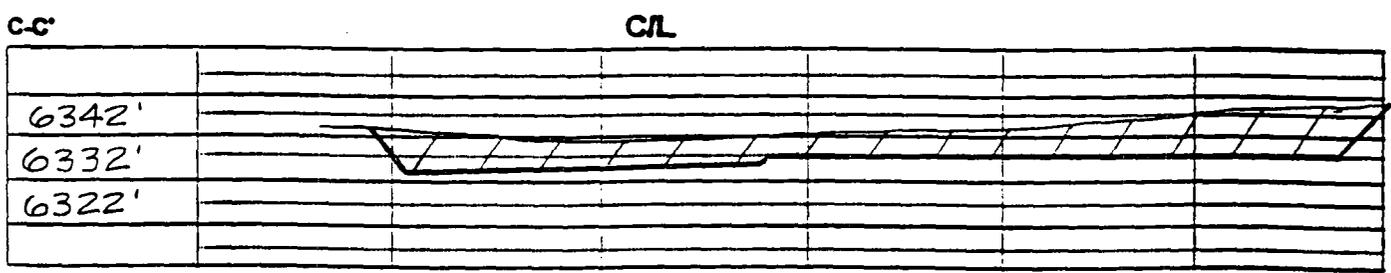
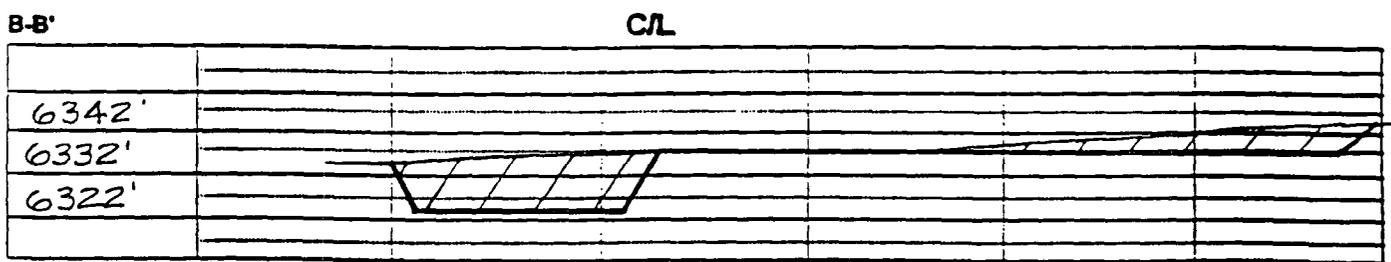
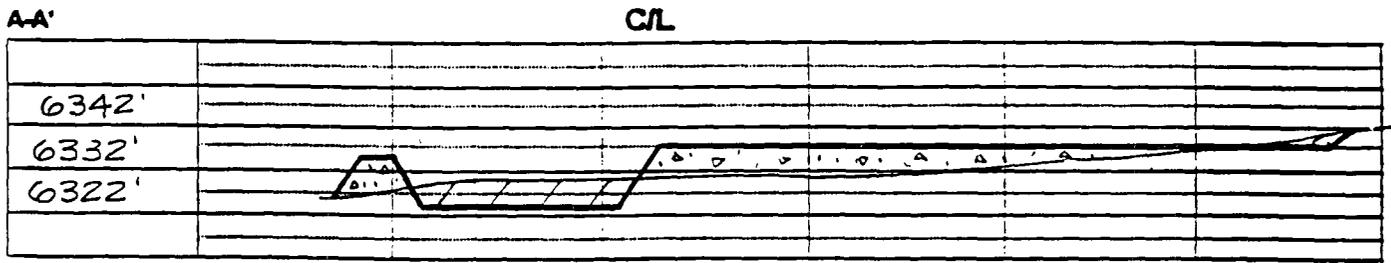
PC/FC LOW POTENTIAL

NAME: REESE FEDERAL #1R
 FOOTAGE: 1280' ESL, 1210' FEL
 SEC 17 TWN 27 N.R. 9 W NMPM
 CO: SAN JUAN ST: NEW MEXICO
 ELEVATION: 6332' DATE: 7-19-96



Reserve Pit Dike : to be 6" 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.

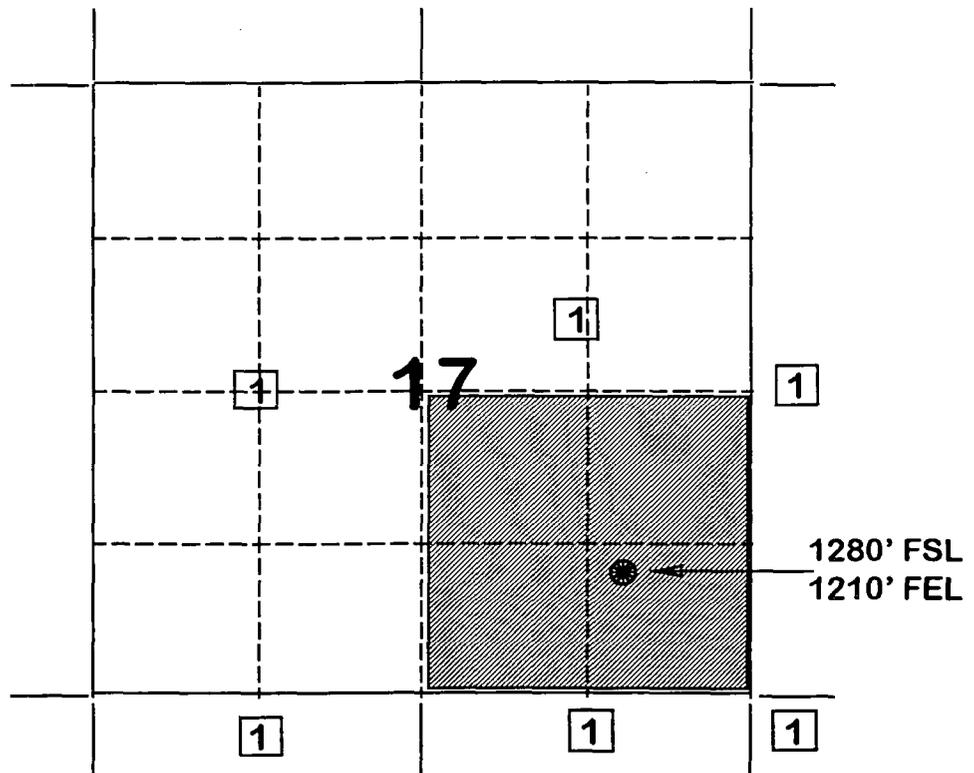


Note: Contractor should call One-Call for location of any **marked** or **unmarked** buried pipelines or cables on well pad and/or access road at least 2 working days prior to construction.

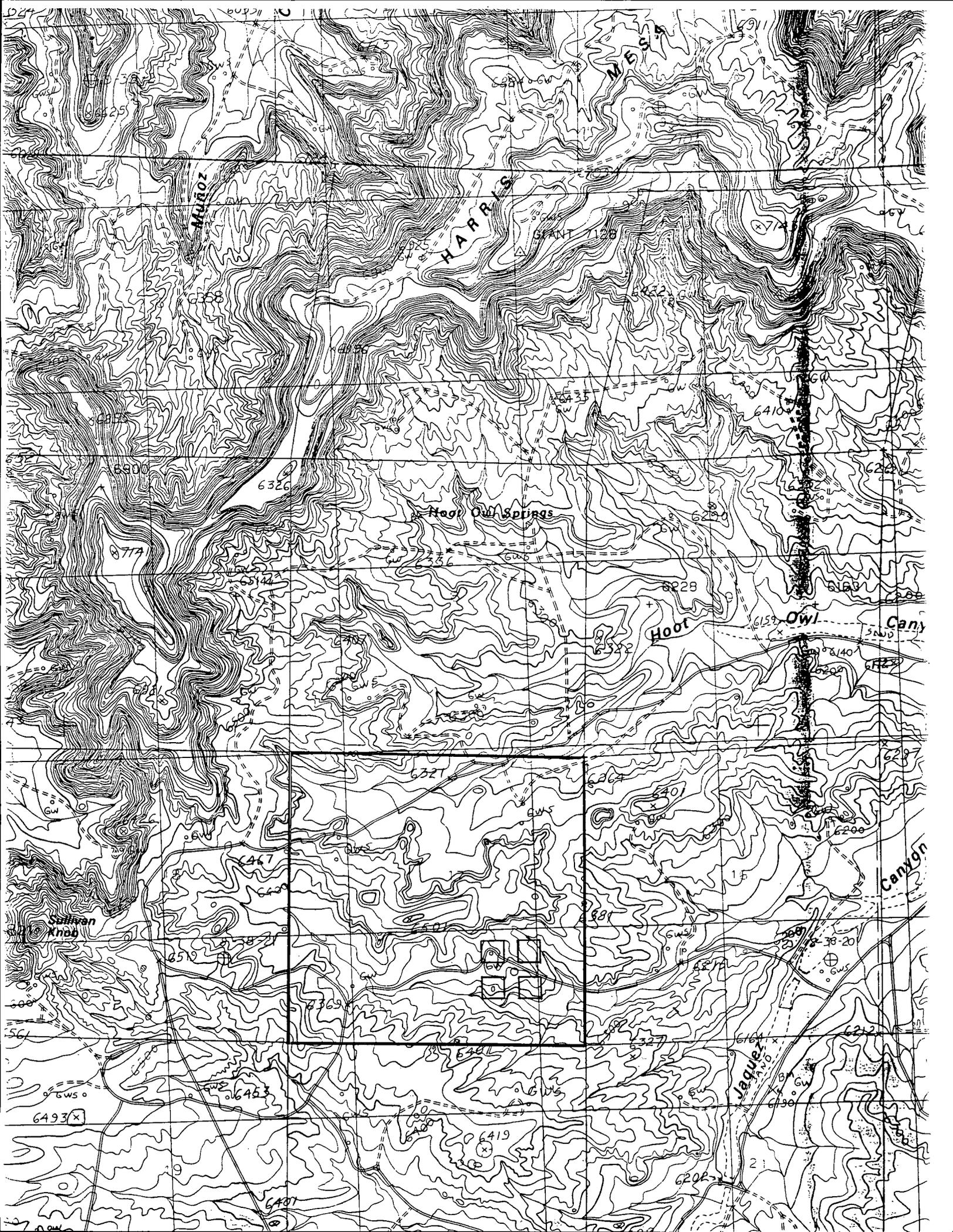
BURLINGTON RESOURCES OIL AND GAS COMPANY

Reese Federal #1R
OFFSET OPERATOR \ OWNER PLAT
Nonstandard Location
Pictured Cliffs Formation Well

Township 27 North, Range 9 West



1) Burlington Resources Oil and Gas Company Successor to Meridian Oil Inc.



MUROZ

HARRIS

MESA

HOO OWL SPRINGS

HOO OWL CANYON

CANYON

SULLIVAN KNAB

JAQUET AND

6358

6326

6774

6228

6159

6140

6125

6321

6262

6381

6519

6369

6306

6327

6493(x)

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GRANT 1128

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