UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

<u>™ - 7 </u> 1a.	PM 2: 18 Type of Work	55 720212870m	700! MOV - 7 PM 2: 18 5. Lease Number
ıa.	DRILL		SF-079519A
ere e			Unit Reporting Number
		2006	MV-8910009490
		8 40 w	DK-891000949A
1b.	Type of Well		6. If Indian, All. or Tribe
	GAS	101 01 01 01 01 01 01 01 01 01 01 01 01	
		5	
2.	Operator BURLING	STONI STONIA	7. Unit Agreement Name
	RESOURG	OES Oil & Gas Company	San Juan 28-5 Unit
3.	Address & Phone	No. of Operator	8. Farm or Lease Name
.		Farmington, NM 87499	San Juan 28-5 Unit
		,	9. Well Number
	(505) 326-9	9700	82M
	·		
A.	Location of Well		10. Field, Pool, Wildcat
	1925' FNL, 19	975' FWL	Blanco MV/Basin DK
			11. Sec., Twn, Rge, Mer. (NMPM)
	Latitude 36°	38.9, Longitude 107 ⁰ 20.9	F Sec. 22, T-28-N, R-5-
			API# 30-039- 26 867
14.	Distance in Miles	from Nearest Town	12. County 13. State
	4 miles from		Rio Arriba NM
15.		pposed Location to Nearest Property or Lease L	ine
16.	1825' Acres in Lease	This action is subject to technical and	17. Acres Assigned to Well
	AOICO III EGGGG	procedural review pursuant to 43 CFR 3165.8	MV - 320 N/2
		and appeal pursuant to 43 CFR 3165.4.	DK - 320 W/2
18.	Distance from Pro	oposed Location to Nearest Well, Drlg, Compl, o	r Applied for on this Lease
40	Duran and Dankla		00 Pataway Cable Table
19.	Proposed Depth 8078'	•	20. Rotary or Cable Tools
	6076		Rotary
21.	Elevations (DF, F	T, GR, Etc.)	22. Approx. Date Work will Start
	6711' GR		••
00	Daniel de la contraction de la	and Compating B	
23.		and Cementing Program	ORDLING GPEKATIONS AUTHOSIZED
	see operat	ions Plan attached	SUBJECT TO COMPLIANCE WITH ATTA
			"CENERAL REQUIREMENTS"
24.	Authorized by:	/ barre (als	9-25-01
47.		Regulatory/Compliance Supervisor	Date
	•	and are corly comparation published	Date
			-
PERMI	T NO	APPROVAL D	ATE

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 DD, 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

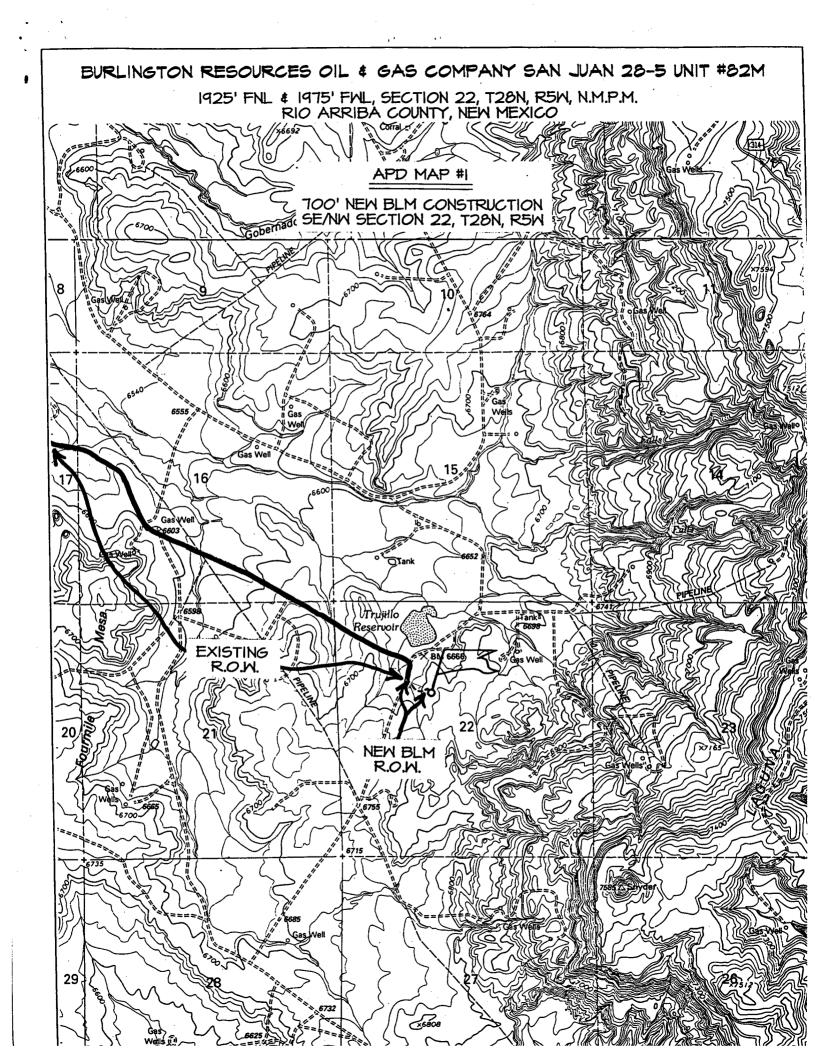
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21, 1994 Instructions on back

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

AMENDED REPORT

			WELL	LOCATI	ON AND) A C	CREAGE DEDI	CATI	ON PL	AT		
30-039-	Number 26		7221	² Pool Cod		70.1			Pool Name	-		
*Property Code					Blanco Mesaverde/Basin Dakota "Property Name "Well Number AN JUAN 28-5 UNIT 82M							
'OGRID No	D.	В	JRI TNI	STON B		rator FS (Name DIL & GAS (OMP	ANY IF)	1	levation
14538					¹⁰ Surfa		Location					
U or lot no.	Section 22	Township 28N	Range 5W	Lot Idn	Feet from 1925		North/South line	1	from the	East/M	st line	County RIO ARRIBA
			ottom	Hole L	ocatio	n I	f Different	Fror	m Surf	ace		ARRIDA
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	the	North/South line	Feet	from the	East/H	est line	County
12 Dedicated Acres		<u> </u>			¹³ Joint or Ir	nfill	¹⁴ Consolidation Code .	²⁵ Order	No.	L	· , · · · · · · · · · · · · · · · · · ·	<u> </u>
DK-W/320			SSIGNE	D TO TH	TS COMPL	FTT	ON UNTIL ALL	INTE	BESTS H	AVE B	FEN CON	ISOL TOATED
NO ALLON	-DCC 11	OR A	NON-5	TANDARD	UNIT HA	S BE	EN APPROVED	BY TI	HE DIVI	SION		
5280.00.	LAT: 3 LONG: 1	6 *38.9 N 07 *20.9 W	1425	22=	X	-01	95,9-	5280 <u>.</u> 00 .	Signatur Peggy Printed Regula Title Date 18 SURV I hereby shown on notes of my super and corr Date 0	Cole Name atory EYOR certify this pla actual s vision, sect to th f SUPV e and Sea	CERTI that the was plot urveys mad di that the e best of ey: AUG	IFICATION ell location ted from field e by me or under same is true my belief UST 11, 200 ssional Surveyor
		19519-1		3201 88		81 -	Z W Z- NO N IB/NBOBS		JAS	HELESTER (N)	MEXIC 15269	ED (S)



OPERATIONS PLAN

Well Name: San Juan 28-5 Unit #82M

Location: 1925'FNL, 1975'FWL, Section 22, T-28-N, R-5-W

Rio Arriba County, New Mexico

Latitude 36° 38.9, Longitude 107° 20.9

Formation: Blanco Mesa Verde/Basin Dakota

Elevation: 6711'GL

Formation Tops:	Top	Bottom	<u>Contents</u>
Surface	San Jose	2928 ′	
Ojo Alamo	2928 '	3090'	aquifer
Kirtland	3090 ′	3218'	
Fruitland	3218'	3618'	gas
Pictured Cliffs	3618'	3728'	gas
Lewis	3728 '	4241'	gas
Intermediate TD	3828'		
Huerfanito Bentonite	4241'	4602'	gas
Chacra	4602'	5403'	gas
Massive Cliff House	5403 ′	5 4 77'	gas
Menefee	5477 ′	5792 ′	gas
Point Lookout	5792'	6267 '	gas
Mancos	6267 ′	7006 ′	gas
Gallup	7006 ′	7758 ′	gas
Greenhorn	7758'	7818'	gas
Graneros	7818'	7870'	gas
Dakota	7870 ′		gas
TD	8078'		•

Logging Program:

Mud logs - none Open hole - none

Cased hole - CBL-CCL-GR - TD to surface

Cores - none

Mud Program:

-							
Interval		rval	Type	Weight	<u>Vis.</u>	Fluid Loss	
	0-	200'	Spud	8.4-9.0	40-50	no control	
	200-	3828 ′	LSND	8.4-9.0	30-60	no control	
	3828-	8781'	Air/N2	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):

Hole Size	Depth Interv	al Csg.Size	Wt.	Grade
12 1/4"	0' - 20		32.3#	WC-50
8 3/4"	0' - 38	28' 7"	20.0#	J-55
6 1/4"	3728' - 80	78' 4 1/2"	10.5#	K-55

Tubing Program:

0' - 8078' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 3000 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" 3000 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, 3000 psi minimum choke manifold (Reference Figure #2).

Completion Operations -

7 1/16" 3000 psi double gate BOP stack (Reference Figure #3). 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 159 sx Class "B" cement with 1/4# flocele/sx and 3% 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/401 sx 50/50 Class "G" TXI Liteweight cement with 2% calcium chloride, 2.5% sodium metasilicate, 10 pps Gilsonite and 0.5 pps Celloflake. Tail w/90 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 5 pps Gilsonite, 0.25 pps Celloflake (1150 cu.ft. of slurry, 100% 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.

See attached alternative intermediate lead slurry.

7" intermediate casing alternative two stage: Stage collar 3118'. First stage: cement with w/167 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 5 pps gilsonite, 0.25 pps Celloflake. Second stage: 363 sx 50/50 Class "G"/TXI Liteweight with 2% calcium chloride, 2.5% sodium metasilicate, 10 pps Gilsonite, 0.25 pps Celloflake (1150 cu.ft., 100% excess to circulate to surface).

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 3090'. Two turbolating centralizers at the base of the Ojo Alamo at 3090'. 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. Lead with 434 sx 50/50 Class "G" Poz with 5% gel, 0.25 pps Celloflake, 5 pps Gilsonite (625 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 float shoe.

Operations Plan - San Juan 28-5 Unit #82M

Page Three

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. In its place, 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" retrievable bridge plug will be set below the top of cement in the 4 1/2" x 7" overlap. The 4 1/2" casing will then be backed off above the top of cement in the 4 1/2" x 7" overlap and laid down. The 4 1/2" bridge plug will then be retrieved and the production tubing will be run to produce the well.

 If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.

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

Fruitland Coal 300 psi Pictured Cliffs 600 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 north half of Section 22 is dedicated to the Mesaverde and the west half of Section 22 is dedicated to the Dakota in this well.
- This gas is dedicated.

Brennan D. Shurt	9/26/01				
Drilling Engineer	Date				