

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2005 FEB 4 PM 1:30
RECEIVED
070 FARMINGTON NM

1a. Type of Work DRILL	5. Lease Number NMNM-024158
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
4. Location of Well Unit D (NWNW), 1300' Fnl & 670' FNL Latitude 36° 49.8839' N Longitude 108° 06.5254' W	9. Well Number McKenzie B Com #100S
14. Distance in Miles from Nearest Town Flora Vista Post Office - 2.7 miles	10. Field, Pool, Wildcat Basin Fruitland Coal
15. Distance from Proposed Location to Nearest Property or Lease Line	11. Sec., Twn, Rge, Mer. (NMPM) Sec. 9, T30N, R12W
16. Acres in Lease	12. County San Juan ✓
17. Acres Assigned to Well 299.84 acres W/2	13. State NM
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease	20. Rotary or Cable Tools Rotary
19. Proposed Depth 2241'	22. Approx. Date Work will Start
21. Elevations (DF, FT, GR, Etc.) 5797' GL	
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Patsy Chugst</u> Regulatory/Compliance Specialist	<u>2/3/05</u> Date

PERMIT NO.

APPROVAL DATE

APPROVED BY D. Mankos

TITLE

AFM

DATE 2-24-05

Archaeological Report attached

Threatened and Endangered Species Report attached

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.

NMOCGD

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003

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

2005 FEB 4 PM 1 36

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045 32890	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 34681	⁵ Property Name McKENZIE B COM	⁶ Well Number 100S
⁷ GRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	⁹ Elevation 5797'

¹⁰ Surface Location

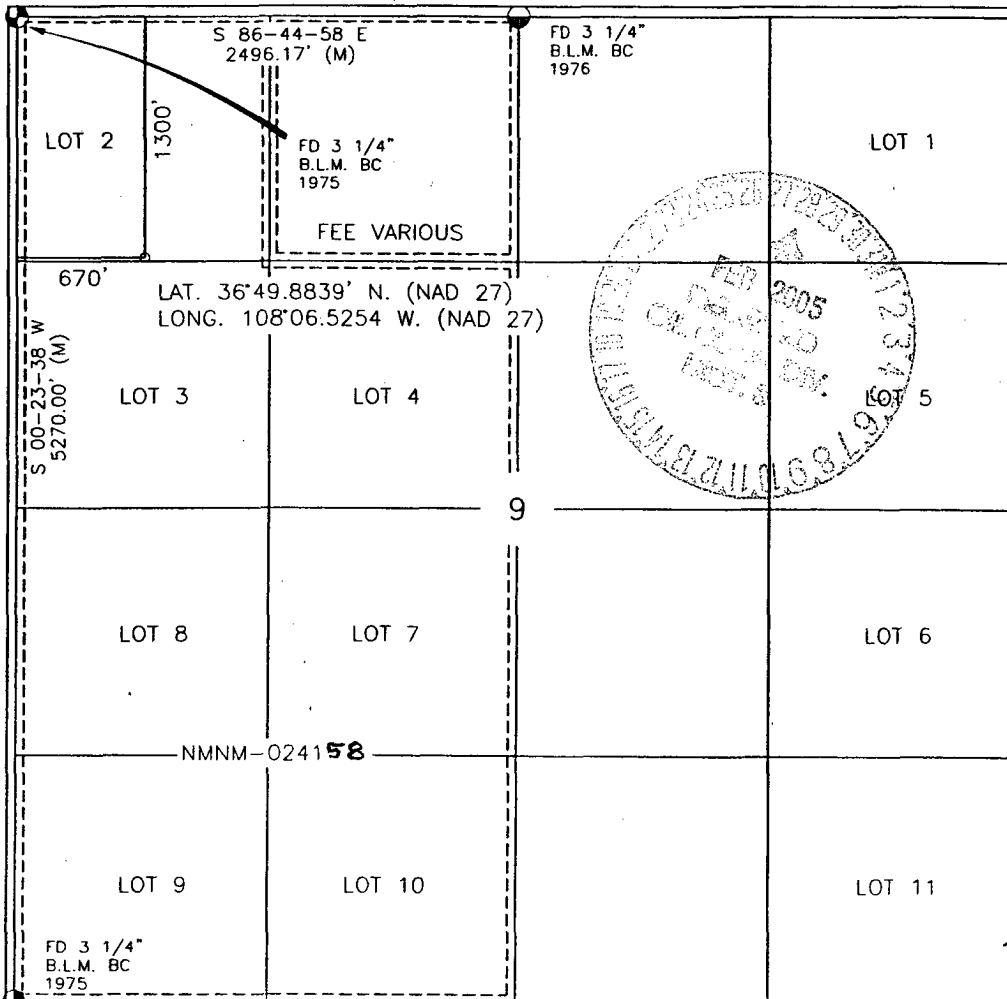
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	9	30-N	12-W	2	1300	NORTH	670	WEST	SAN JUAN

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
D									
¹² Dedicated Acres 299.84 W/2			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

16



17 OPERATOR CERTIFICATION

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

Patsy Clugston
Signature

Patsy Clugston
Printed Name

Sr. Regulatory Specialist
Title

11-3-04
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 knowledge and belief.

JOHN A. VUKONICH
OCTOBER 2, 2004
Date of Survey
14831
Registered Professional Surveyor

14831
Certificate Number

District I

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District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.	30-039-
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	NMNM-024158
7. Lease Name or Unit Agreement Name	
8. Well Number	McKenzie B Com #100S
9. OGRID Number	14538
10. Pool name or Wildcat	Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
BURLINGTON RESOURCES OIL & GAS COMPANY LP

3. Address of Operator
3401 E. 30TH STREET, FARMINGTON, NM 87402

4. Well Location
Unit Letter D : 1300' feet from the North line and 670' feet from the West line
Section 9 Township 30N Range 12W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5797' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type new drill Depth to Groundwater >50' Distance from nearest fresh water well >1000' Distance from nearest surface water <200'
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: New Drill Pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

New Drill, Lined:

Burlington Resources proposes to construct a new drilling pit and an associated blow/flare pit. Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit will be a lined pit as detailed in Burlington's Revised Drilling / Workover Pit Construction / Operation Procedures dated November 11, 2004 on file at the NMOCD office. A portion of the blow/flare pit will be designed to manage fluids and that portion will be lined as per the risk ranking criteria. Burlington Resources anticipates closing these pits according to the Drilling / Workover Pit Closure Procedure dated August 2, 2004 on file at the NMOCD office

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Frances Bond TITLE Regulatory Specialist DATE 11/22/2004

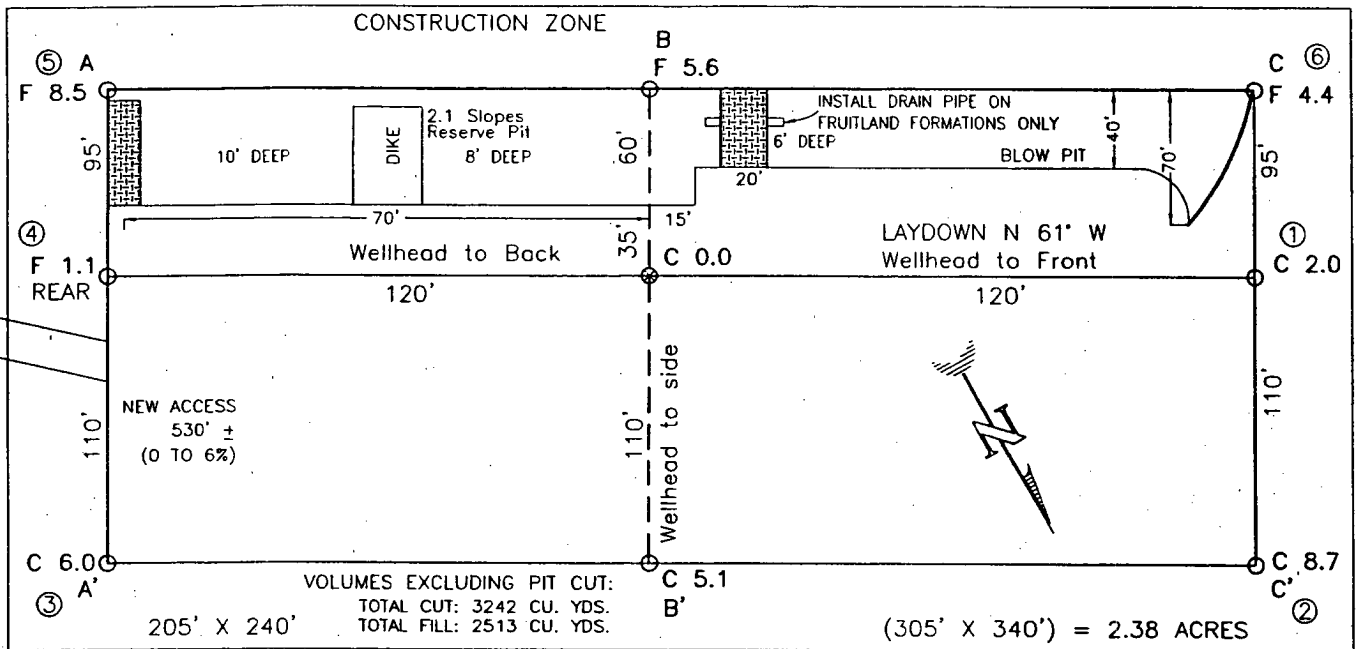
Type or print name Frances Bond E-mail address: fbond@br-inc.com Telephone No. 505-326-9518

For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. OF DATE FEB 28 2005

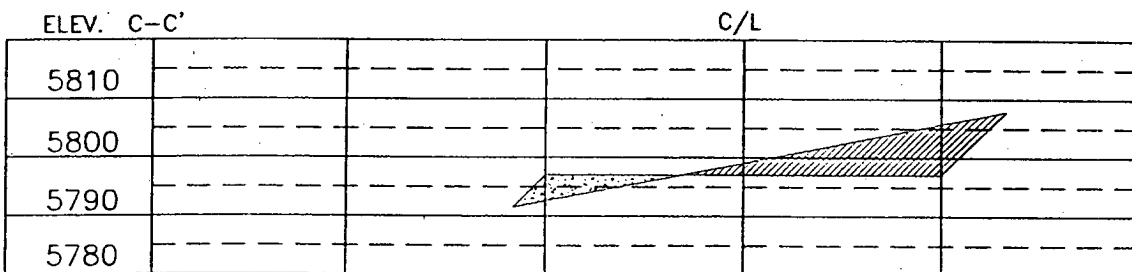
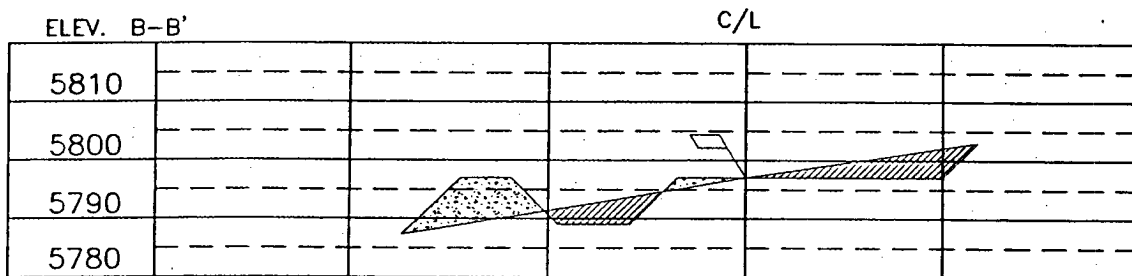
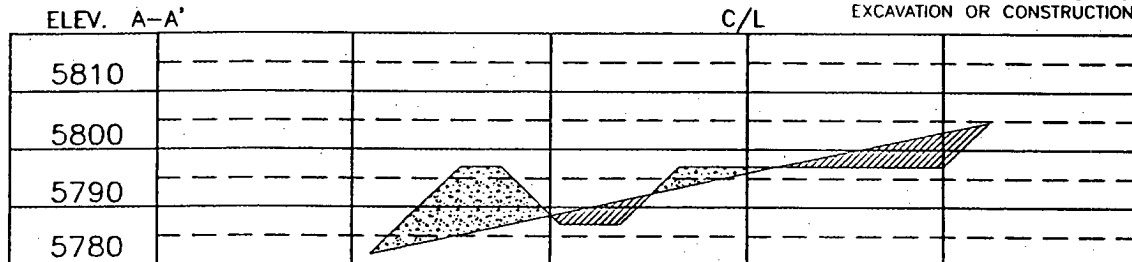
Conditions of Approval (if any):

BURLINGTON RESOURCES OIL & GAS COMPANY LP
McKENZIE B COM NO. 100S, 1300 FNL 670 FWL
SECTION 9, T-30-N, R-12-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 5797, DATE: OCTOBER 4, 2004



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: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



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 TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION:	DATE:	REMOVED BY:
<p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 · Farmington, NM 87401 Phone (505) 326-1772 · Fax (505) 326-6019 NEW MEXICO L.S. No. 14831 CADDLE: BR523CFB DATE: 10/26/04</p>		
<p>DRAWN BY: G.V. ROW# BR523</p>		

OPERATIONS PLAN

Well Name: McKenzie B Com #1005
Location: Unit D (NWNW), 1300' FNL & 670' FWL, Sec. 9, T30N, R12W
 San Juan County, New Mexico
 Latitude 36° 49.8839'N; Longitude 108° 06.5254'W
Formation: Basin Fruitland Coal
Elevation: 5797' GR

Formation:	Top	Bottom	Contents
Surface	San Jose	505'	
Ojo Alamo	505'	589'	aquifer
Kirtland	589'	1955'	gas
T/Fruitland	1955'	2033'	gas
B/Fruitland Coal	2033'	2041'	gas
Pictured Cliffs	2041'		
Total Depth	2241'		

Note: The Total Depth for this well is into the Pictured Cliffs interval, but currently only have plans to complete the Fruitland Coal interval. We could in the near future perforate/stimulate the Pictured Cliffs interval, but only would once Regulatory approval was asked for and received.

Logging Program: None

Mud Program:

Interval	Type	Weight	Vis. Fluid Loss
0- 120'	Spud <i>air/air-mist</i>	8.4-8.9	40-50 no control
120-2241'	Non-dispersed	8.4-9.5	30-60 no control

Casing Program:

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
8 3/4"	0 - 120'	7"	20.0#	J-55
6 1/4"	0 - 2241'	4 1/2"	10.5#	J/K-55

Tubing Program:

0 - 2241'	2 3/8"	4.7#	J-55
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Float Equipment: 7" surface casing - guide shoe. Centralizers will be run in accordance with Onshore Order #2.

4 1/2" production casing - float shoe and float collar on bottom. Centralizers run every third joint above shoe to the base of the Ojo Alamo @ 589'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 589'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 7" x 4 1/2" x 2 3/8" x 11" 2000 psi xmas tree assembly.

January 4, 2005

Cementing:

7" surface casing Pre-Set Drilled - Cement with Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (Bring cement to surface). Wait on cement for 24 hours for pre-set holes before pressure testing or drilling out from under surface.

7" surface casing - Cement with 42 sx Type III cement with 0.25 pps Celloflake, 3% CaCl. (54 cu ft of slurry @ 1.28 yield). 200% excess, bring cement to surface. Wait on cement for 8 hrs for conventionally set holes before pressure testing or drilling out from under surface.
WOC until cement establishes 250 psi compressive strength prior to NU of BOPE.

4 1/2" production casing - Cement with 105 sx (223 cu ft of slurry @ 2.13 yield) Premium Lite with 3% calcium chloride, 5 pps LCM-1, and 1/4#/sack celloflake, 0.4% FL-52, & 0.4% SMS. Tail with 90 sacks (124 cu ft of slurry @ 1.38 yield) Type III cmt with 1% calcium chloride, 1/4#/sack Celloflake and 0.2% FL-52. Total of 347 cf - 50% excess to circulate to surface.

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~~ ^{BOPE} to 600 psi/30 min.

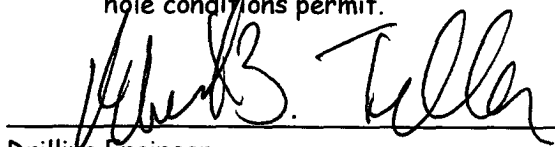
Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test ~~rams~~ ^{BOPE} and casing to 2000 psi/15 min.

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

Pipe rams will be actuated at 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:

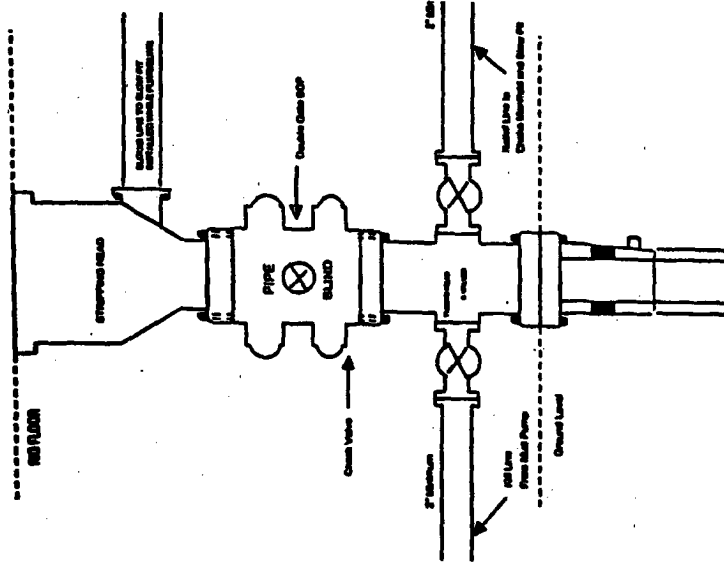
- * The Fruitland Coal formation will be completed.
- * Anticipated pore pressure for the Fruitland is between 600 - 700 psi.
- * This gas is dedicated.
- * The west half of the section is dedicated to this well.
- * New casing will be utilized.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.


Drilling Engineer

1-13-05
Date

BURLINGTON RESOURCES

Completion/Workover Rig BOP Configuration 2,000 psi System

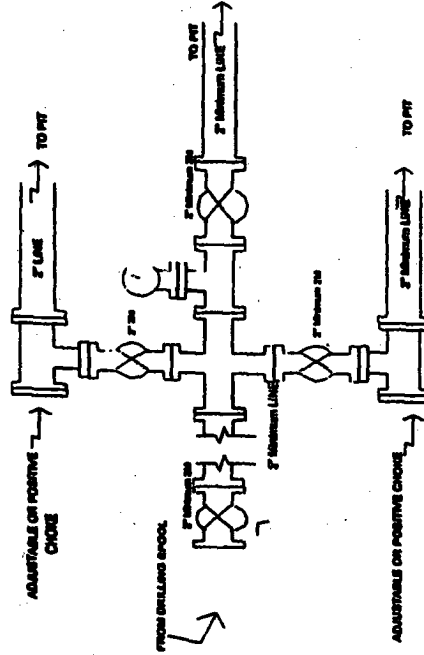


Minimum BOP installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi stripping head. pressure or greater excluding 500 psi stripping head.

Figure #2

BURLINGTON RESOURCES

Drilling Rig Choke Manifold Configuration 2000 psi System

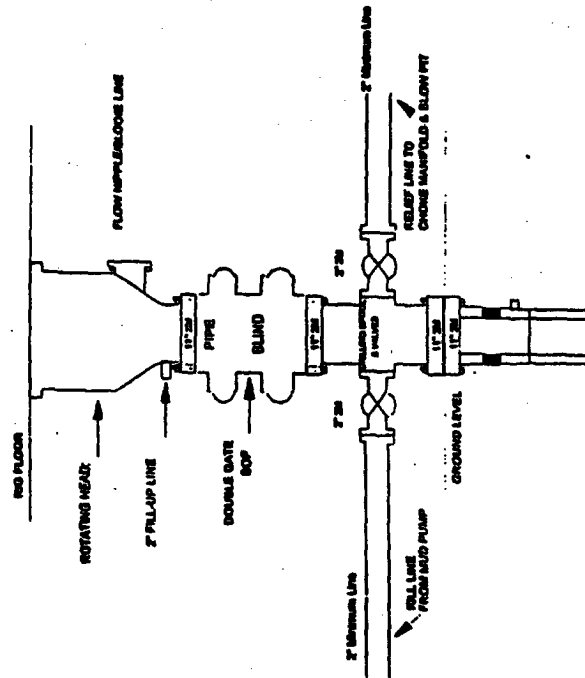


Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

Burlington Resources

Drilling Rig 2000 psi System



BOP installation from Surface Casing Point to Total Depth. 11" Bore 10" Nominal, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 500 psi ramsing head on top of ram preventers. All BOP equipment is 2,000 psi working pressure

Figure #1