

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 NMNM-111921 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 Negro Canyon 9. Well Number #1
4. Location of Well 1355' FSL, 1015' FWL 1425' 985' Latitude 36° 54.4774'N, Longitude 107° 37.9347'W	10. Field, Pool, Wildcat Blanco MV/Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) Sec. 12, T31N, R08W API # 30-045-32848
14. Distance in Miles from Nearest Town 25 miles to Blanco, NM Post Office	12. County San Juan ✓ 13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 1015'	
16. Acres in Lease	17. Acres Assigned to Well 320 S/2
18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this Lease 52'	
19. Proposed Depth 8548'	20. Rotary or Cable Tools Rotary
21. Elevations (DF, FT, GR, Etc.) 6903' GR	22. Approx. Date Work will Start
23. Proposed Casing and Cementing Program See Operations Plan attached	
24. Authorized by: <u>Joni Clark</u> Regulatory Specialist	<u>12/14/04</u> Date

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE AFM DATE 2-11-05

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.

NO HPA NOTIFICATION NEEDED UNDER ORDER R-8768F.

This action is subject to technical and procedural review pursuant to 43 CFR §165.3 and appeal pursuant to 43 CFR §165.4

NMOC

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

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

DISTRICT II
811 South First, Artesia, N.M. 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32848	² Pool Code 72319/ 71599	³ Pool Name Blanco Mesaverde/Basin Dakota
⁴ Property Code 34287	⁵ Property Name NEGRO CANYON	⁶ Well Number 1
⁷ GRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP	⁹ Elevation 6903'

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
L	12	31-N	8-W		1425'	SOUTH	985'	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
¹² Dedicated Acres S/2 320 acres			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	2005 FEB 7 PM 5 08 RECEIVED 070 FARMINGTON NM		12 USA NMNM-111921 LAT: 36°54.4892' N, LONG: 107°37.9411' W. NAD 1927 985' 1425' S 89-14-39 E 2572.52'		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>Joni Clark</u> Printed Name Joni Clark Title Regulatory Specialist Date 2-1-05
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. Date of Survey <u>1-29-05</u> Signature and Seal of Professional Surveyor Certificate Number <u>15703</u>					

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103

May 27, 2004

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-045-

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

NMNM-111921

7. Lease Name or Unit Agreement Name

Negro Canyon

8. Well Number

1

9. OGRID Number

14538

10. Pool name or Wildcat

Blanco Mesaverde/Basin Dakota

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 LSection 121425

feet from the

South

line and

985

feet from the

West

line

Township 31NRange 8W

NMPM

County San Juan

NM

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

Pit or Below-grade Tank Application

☒

or Closure

☐Pit type New Drill

Depth to Groundwater

> 100'

Distance from nearest fresh water well

> 1000'

Distance from nearest surface water

> 1000'

Pit Liner Thickness:

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

SUBSEQUENT REPORT OF:

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

OTHER:

New Drill

☒

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.

Burlington Resources proposes to construct a new drilling pit and an associated vent/flare pit. Based on Burlington's interpretation of the Ecosphere's risk ranking criteria, the new drilling pit and vent/flare pit will be an unlined 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 vent/flare pit will be designed to manage fluids, and that portion will be unlined, 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

Joni Clark

TITLE

Senior Regulatory Specialist

DATE

12/14/2004

Type or print name

Joni Clark

E-mail address:

jclark@br-inc.com

Telephone No.

326-9700

For State Use Only

APPROVED BY

[Signature]

TITLE

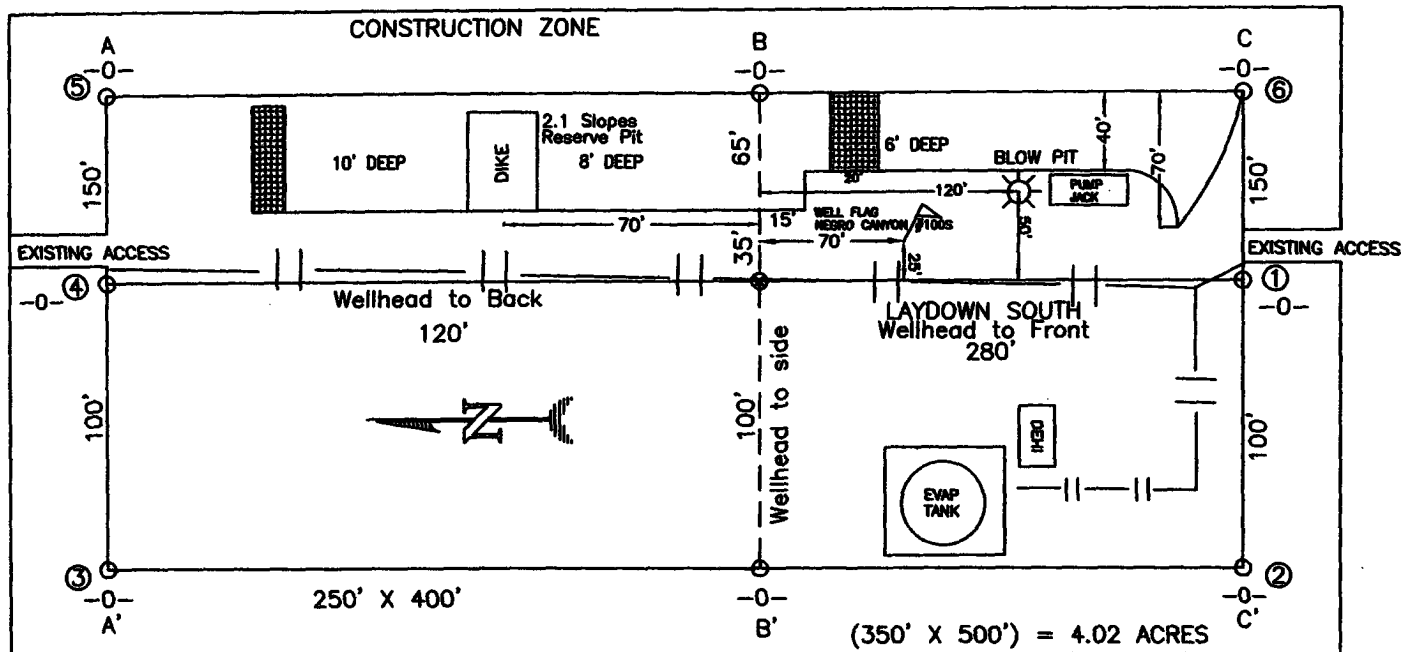
DEPUTY OIL & GAS INSPECTOR, DIST. OF

DATE

FEB 14 2005

Conditions of Approval (if any):

BURLINGTON RESOURCES OIL & GAS COMPANY LP
NEGRO CANYON #1, 1425,' FSL & 985' FWL
SECTION 12, T-31-N, R-8-W, NMPM, SAN JUAN COUNTY, NM
GROUND ELEVATION: 6903', DATE: JANUARY 24, 2005



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.

ELEV. A-A'	C/L				
6920					
6910					
6900					
6890					

ELEV. B-B'	C/L				
6920					
6910					
6900					
6890					

ELEV. C-C'	C/L				
6920					
6910					
6900					
6890					

WELL PAD SKETCH
NOT TO SCALE

NOTE: VECTOR SURVEYS IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.
 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.

submitted in lieu of Form 3160-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Sundry Notices and Reports on Wells

2005 FEB 7 PM 5 08

1. Type of Well
GAS

RECEIVED
070 FARMINGTON NM

5. Lease Number
NMNM-111921
6. If Indian, All. or
Tribe Name
7. Unit Agreement Name

2. Name of Operator
BURLINGTON
RESOURCES OIL & GAS COMPANY

3. Address & Phone No. of Operator
PO Box 4289, Farmington, NM 87499 (505) 326-9700

4. Location of Well, Footage, Sec., T, R, M
1425' FSL, 985' FWL, Sec. 12, T31N, R8W, NMPM

8. Well Name & Number
Negro Canyon #1
9. API Well No.
30-045- 32848
10. Field and Pool
Blanco MV/Basin DK
11. County and State
San Juan Co, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment

Type of Action

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other - Move Location
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut off
☐ Conversion to Injection

13. Describe Proposed or Completed Operations

The Negro Canyon #1 well location has been moved from 1355' FSL, 1015' FWL, Section 12, T31N, R8W to:

1425' FSL, 985' FWL, Section 12, T31N, R8W

Attached please find the revised documents to replace in the previously submitted APD.

14. I hereby certify that the foregoing is true and correct.

Signed Joni Clark Title Regulatory Specialist Date 2/1/05

(This space for Federal or State Office use)

APPROVED BY [Signature] Title AFM Date 2-11-05

CONDITION OF APPROVAL, if any:

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 representations as to any matter within its jurisdiction.

NMOC

OPERATIONS PLAN

Well Name: Negro Canyon #1
Location: 1425' FSL, 985' FWL, Section 12, T-31-N, R-8-W
San Juan County, New Mexico
Latitude 36° 54.4892, Longitude 107° 37.9411
Formation: Blanco Mesa Verde/Basin Dakota
Elevation: 6903' GL

2005 FEB 7 PM 5 08

RECEIVED
070 FARMINGTON NM

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	2600'	
Ojo Alamo	2600'	2688'	aquifer
Kirtland	2688'	3198'	gas
Fruitland	3198'	3746'	
Pictured Cliffs	3746'	3970'	gas
Lewis	3970'	4584'	gas
Intermediate TD	4070'		
Huerfanito Bentonite	4584'	4800'	gas
Chacra	4800'	5445'	gas
Cliff House	5445'	5822'	
Menefee	5822'	6111'	gas
Point Lookout	6111'	6550'	gas
Mancos	6550'	7455'	gas
Gallup	7455'	8136'	gas
Greenhorn	8136'	8197'	gas
Graneros	8197'	8303'	gas
Two Wells	8303'	8321'	gas
Pguate	8321'	8332'	gas
Cubero	8332'	8427'	gas
Encinal Canyon	8427'	8519'	gas
Burro Canyon	8519'	8548'	gas
Morrison	8548'		gas
TD	8548'		

Logging Program:

Mud Logs/Coring/DST -

Mud logs - from 7950' to TD

Coring - none

DST - none

Open hole - none

Cased hole - Platform Express from topset TD to Intermediate then GR/Neutron

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0- 200'	Spud MUD/Air/Air Mist	8.4-9.0	40-50	no control
200- 4070'	LSND	8.4-9.0	30-60	no control
4070- 8548'	Air/Air Mist/Nitrogen	n/a	n/a	n/a

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

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 200'	9 5/8"	32.3#	H-40
8 3/4"	0' - 4070'	7"	20.0#	J-55
6 1/4"	0' - 8462'	4 1/2"	10.5#	J-55
3 7/8"	8462' - 8548'	open hole		

Tubing Program: 0' - 8548' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, ~~rams~~ ^{BOPE} and casing will be tested to 600 psi for 30 minutes.

Intermediate TD to Total Depth -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, ~~rams~~ ^{BOPE} and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

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

Completion Operations -

7 1/16" 2000 psi double gate BOP stack (Reference Figure #2). 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 4 1/4" x 2 3/8" x 2000 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 drill crew.
- All BOP tests & 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 conventionally drilled -

Cement with 188 sacks Type III cement with 0.25 pps Celloflake, 3% calcium chloride. (200% excess, bring cement to surface). Wait on cement appropriate time until cement achieves 250 psi compressive strength at 60 degrees F. prior to nipple up of BOPE. Wait on cement for 8 hrs for conventionally set holes before pressure testing or drilling out from under surface.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing -

Lead with 373 sacks Premium Lite cement with 3% calcium chloride, 0.25 pps Celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate. Tail w/90 sacks Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss (918 cu ft-50% excess to circulate to surface.) WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL or a temperature survey will be run to determine TOC. Test casing to 1500 psi for 30 minutes.

7" intermediate casing alternative two stage: Stage collar set 300' above the top of the Fruitland. First stage: Lead w/66 sxs Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss. Tail w/90 Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. Second stage: 307 sxs Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (918 cu ft-50% 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 @ 2688'. Two turbolating centralizers at the base of the Ojo Alamo 2688'. 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/Casing -

Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Cement with 308 sacks Premium Lite HS w/ 0.25 pps Celloflake, 0.3% CD-32, 6.25 pps LCM-1 and 1% FL-52. (30% excess to cement 4 1/2" x 7" overlap). WOC a minimum of 18 hrs prior to completing.

Cement float collar stacked on top of float shoe.

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

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. The liner hanger will have a rubber packoff.

- 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 (Air/Mist Drilling):

The following equipment will be operational while air/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.
- 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 Mesa Verde and Dakota formations will be completed and commingled.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

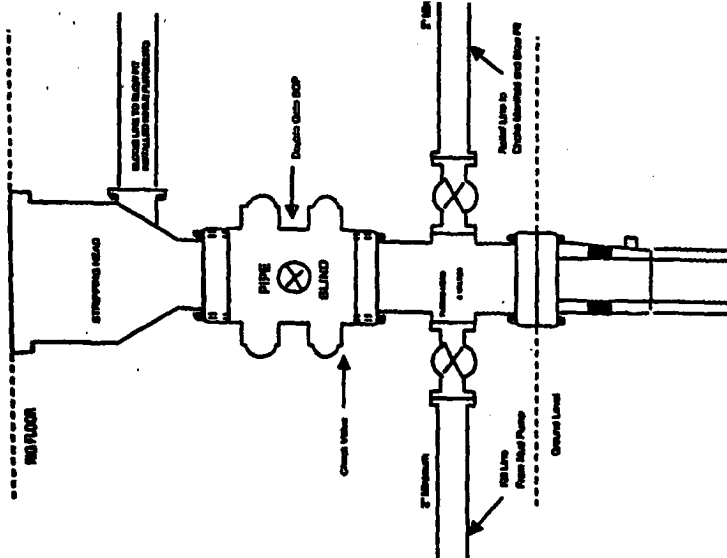
Fruitland Coal	300 psi
Pictured Cliffs	600 psi
Mesa Verde	700 psi
Dakota	2000 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The south half of Section 12 is dedicated to the Mesa Verde and Dakota.
- This gas is dedicated.


Drilling Engineer

12-14-04
Date

BURLINGTON RESOURCES

Completion/Workover Rig
BOP Configuration
2,000 psi System

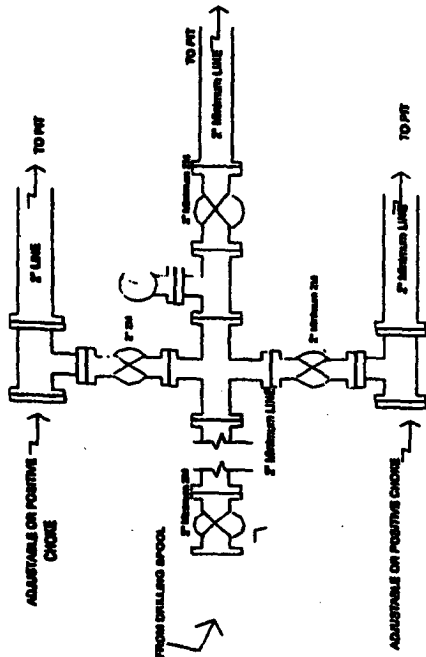


Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stopping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi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

Figure #2

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System

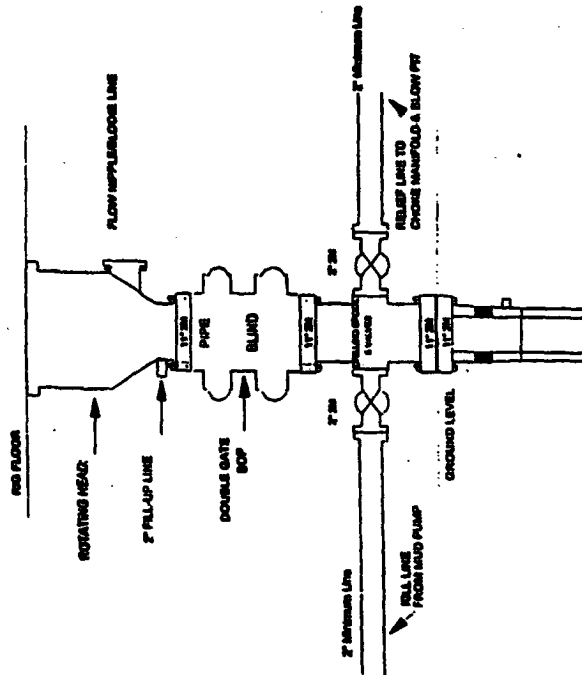


Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

Burlington Resources

Drilling Rig
2000 psi System



BOP Installation from Surface Casing Point to Total Depth. 11" Bore 10" Horizontal, 2000 psi working pressure double gate BOP to be equipped with blind and pipe rams. A stopping head to be installed on top of the BOP. All BOP equipment is 2,000 psi working pressure.

Figure #1