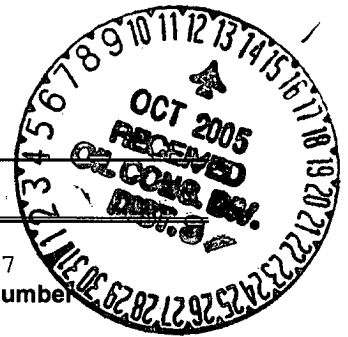


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | |
|---|---|---|
| 1a. Type of Work DRILL | 2004 JUL 20 AM 11 46 | 5. Lease Number SF-079037 Unit Reporting Number |
| 1b. Type of Well GAS | RECEIVED 070 FARMINGTON NM | 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 Hale 9. Well Number #353S |
| 4. Location of Well 2150' FSL, 1105' FEL Latitude 36° 51.1951'N, Longitude 107° 39.4163'W | | 10. Field, Pool, Wildcat Basin Fruitland Coal 11. Sec., Twn, Rge, Mer. (NMPM) I Sec. 34, T31N, R08W API # 30-045- 32469 |
| 14. Distance in Miles from Nearest Town 22.7 miles to Blanco, NM | 12. County San Juan | 13. State NM |
| 15. Distance from Proposed Location to Nearest Property or Lease Line 1105' | 17. Acres Assigned to Well 320 E/2 | |
| 16. Acres in Lease | 18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 21' | |
| 19. Proposed Depth 3172' | 20. Rotary or Cable Tools Rotary | |
| 21. Elevations (DF, FT, GR, Etc.) 6208' 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/Compliance Specialist | <u>10-20-03</u> Date | |

PERMIT NO.

APPROVAL DATE

APPROVED BY [Signature]

TITLE ACM

DATE 10/2/05

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.

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

NMOCD

This action is subject to technical and
procedural review pursuant to 43 CFR 3160.3
and appeal pursuant to 43 CFR 3160.6

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|------------------------------|---|---------------------|------------------------------------|
| *API Number 30-045- 32469 | | *Pool Code 71629 | *Pool Name Basin Fruitland Coal |
| *Property Code 18534 | *Property Name HALE | | *Well Number 353S |
| *OGRID No. 14538 | *Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP | | *Elevation 6208' |

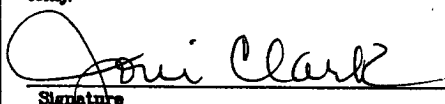
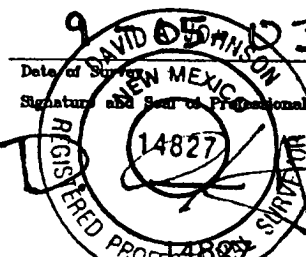
¹⁰ Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 1 | 34 | 31-N | 8-W | | 2150 | SOUTH | 1105 | EAST | 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 |
|---------------|---------|----------|-----------------|---------|--------------------|------------------|---------------|----------------|--------|
| 320 | | | Joint or Infill | | Consolidation Code | | 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 | CALC'D CORNER 6.6' S 0°12'E FROM FD. WITNESS CORNER | 17 | OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. |
| 34 | SF-079037 |  Signature | Joni Clark Printed Name |
| LAT. 36°51.1951 N. (NAD 27) LONG. 107°39.4163 W. | 5185.56' (M) | Regulatory Specialist Title | 10-20-03 Date |
| FD 3 1/4" BLM BC. 1953 | 2150' S 88-39-56 W 2601.20' (M) | 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. |
| 1105' 00-27-09 E N | 2150' | 9 DAVID O. JOHNSON 05 23 Date of Survey Signature and Seal of Professional Surveyor: |  Certificate Number |
| 2150' | 2150' | FD 3 1/4" BLM BC. 1953 | |

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|--|
| WELL API NO. 30-045- <u>32469</u> |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Hale |
| 8. Well Number #353S |
| 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 I : 2150 feet from the South line and 1105 feet from the East line

Section 34 Township 31N Range 8W NMPM San Juan County, NM

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

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater > 100' Distance from nearest fresh water well
> 1000' Distance from nearest surface water < 1000' Below-grade Tank Location UL Sect Twp Rng ;
feet from the line and feet from the line

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 COMPLETION ☐

OTHER: New Drill Pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND 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.

Burlington Resources proposes to construct a new drill pit. The new drill pit will be an unlined pit as detailed in Burlington's general pit construction plan dated April 26, 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 Nancy Oltmanns TITLE Regulatory Specialist DATE 4/29/04

Type or print name Nancy Oltmanns E-mail address: noltmanns@br-inc.com Telephone No. 326-9700

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 63 DATE OCT 13 2005
Conditions of approval, if any:

OPERATIONS PLAN

Well Name: Hale #353S
Location: 2150' FSL, 1105' FEL Section 34, T-31-N, R-08-W
Latitude 36° 51.1951' N, Longitude 107° 39.4163' W
San Juan County, NM
Formation: Basin Fruitland Coal
Elevation: 6208' GR

| Formation: | Top | Bottom | Contents |
|------------------------|--------------|--------|----------|
| Surface | San Jose | 1987' | |
| Ojo Alamo | 1987' | 2067' | aquifer |
| Kirtland | 2067' | 2626' | |
| Fruitland | 2626' | 2933' | |
| Intermediate TD | 2913' | | |
| Fruitland Coal | 2933' | 3087' | gas |
| B/Basal Coal | 3087' | 3091' | gas |
| Pictured Cliffs | 3091' | | |
| Total Depth | 3172' | | |

Logging Program: none
Mudlog: from 7" to 3172'
Coring Program: none

Mud Program:

| Interval | Type | Weight | Vis. | Fluid Loss |
|------------|-------------------|---------|-------|------------|
| 0- 120' | Spud/air/air-mist | 8.4-9.0 | 40-50 | no control |
| 120-2913' | Non-dispersed | 8.4-9.0 | 30-60 | no control |
| 2913-3172' | Air/Mist | | | |

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

| Hole Size | Depth Interval | Csg. Size | Wt. | Grade |
|-----------|----------------|-----------|-------|-------|
| 12 1/4" | 0' - 120' | 9 5/8" | 32.3# | H-40 |
| 8 3/4" | 0' - 2913' | 7" | 20.0# | J-55 |
| 6 1/4" | 2913' - 3172' | open hole | | |

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

| Hole Size | Depth Interval | Csg. Size | Wt. | Grade |
|-----------|----------------|-----------|-------|-------|
| 12 1/4" | 0' - 120' | 9 5/8" | 32.3# | H-40 |
| 8 3/4" | 0' - 2913' | 7" | 20.0# | J-55 |
| 6 1/4" | 2873' - 3172' | 5 1/2" | 15.5# | J-55 |

Tubing Program:

| | | | |
|------------|--------|------|------|
| 0' - 3172' | 2 3/8" | 4.7# | J-55 |
|------------|--------|------|------|

Float Equipment: 9 5/8" surface casing - saw tooth guide shoe. Centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing - guide shoe and self-fill float collar. Standard centralizers run every other joint above shoe. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 2067'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 9 5/8" x 7" x 2 3/8" x 11" 2000 psi xmas tree assembly.

Cementing:

9 5/8" surface casing -

Pre-Set Drilled Cement with 23 sx Type I, II cement with 20% flyash mixed at 14.5 ppg, 1.61 cu ft per sack yield. (37 cu ft of slurry, bring cement to surface) Wait on cement for 24 hours for pre-set holes before pressure testing or drilling out from under surface.

Conventionally Drilled

Cement with 88 sx Type III cement with 0.25 pps Celloflake, 3% CaCl. (113 cu ft of slurry, 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.

7" intermediate casing - lead w/250 sacks Premium Lite with 3% calcium chloride, 5 pps LCM-1, and 1/4#/sack flocele, 0.4% FL-52, & 0.4% SMS. Tail with 90 sacks Type III cmt with 1% calcium chloride, 1/4#/sack flocele and 0.2% FL-52 (656 cu.ft., 50% excess to circulate to surface).

5 1/2" liner - will not be cemented if run.

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

BOP and tests:

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

Intermediate TD to Total Depth - 7 1/6" 2000 psi (minimum) completion BOP stack (Reference Figure #2) ⁴ Prior to drilling out intermediate casing, test BOPE and casing to 1500 psi for 30 minutes.

From surface to 7" TD - a choke manifold will be installed in accordance with Onshore Order No. 2 (Reference Figure #3). When the cavitation completion rig drills the production hole, the completion rig configuration will be used (Reference Figure #4). No choke manifolds will be used on cavitation rig operations.

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 less than 500 psi.
- * This gas is dedicated.
- * The west half of Section 34 is dedicated to the Fruitland Coal.

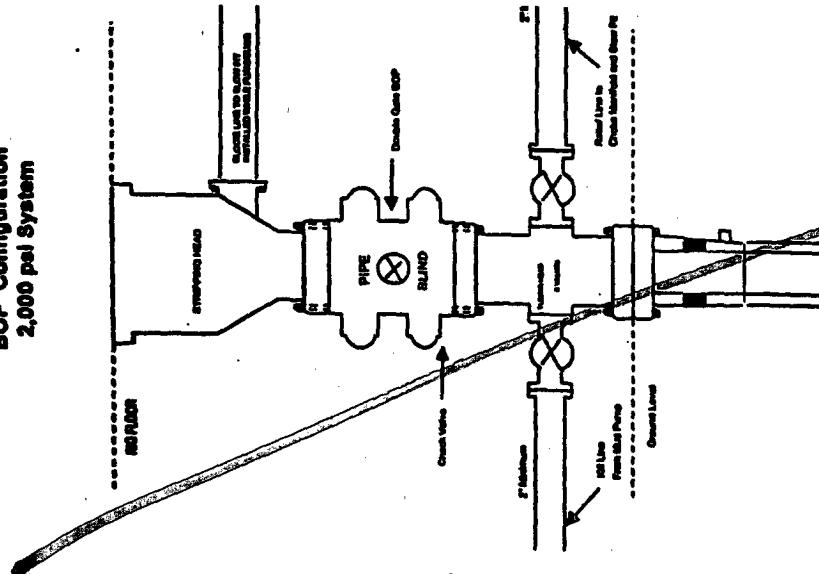
Date: 4-21-04

Drilling Engineer:



BURLINGTON RESOURCES

Completion/Workover Rig
BOP Configuration
2,000 psi System

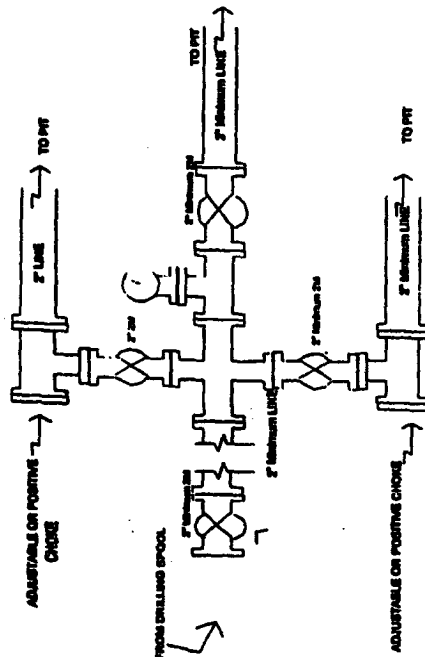


Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi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

Figure #2

BURLINGTON RESOURCES

Drilling Rig
Choke Manifold Configuration
2000 psi System

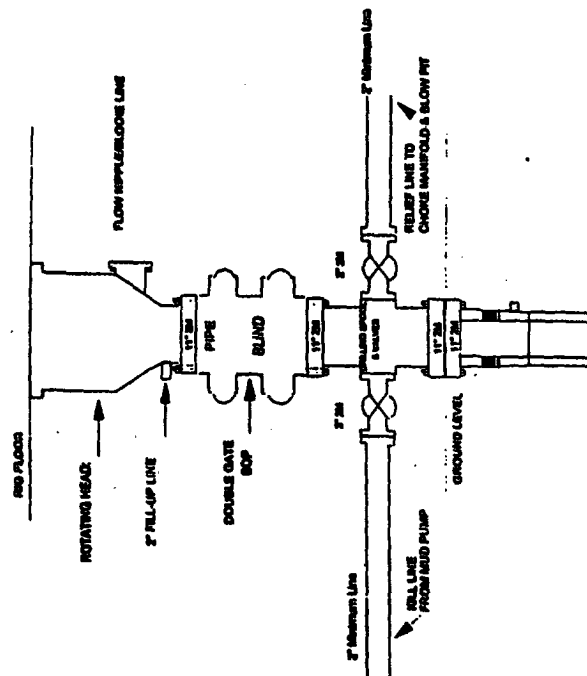


Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two choices.

Figure #3

Burlington Resources

Drilling Rig
2000 psi System

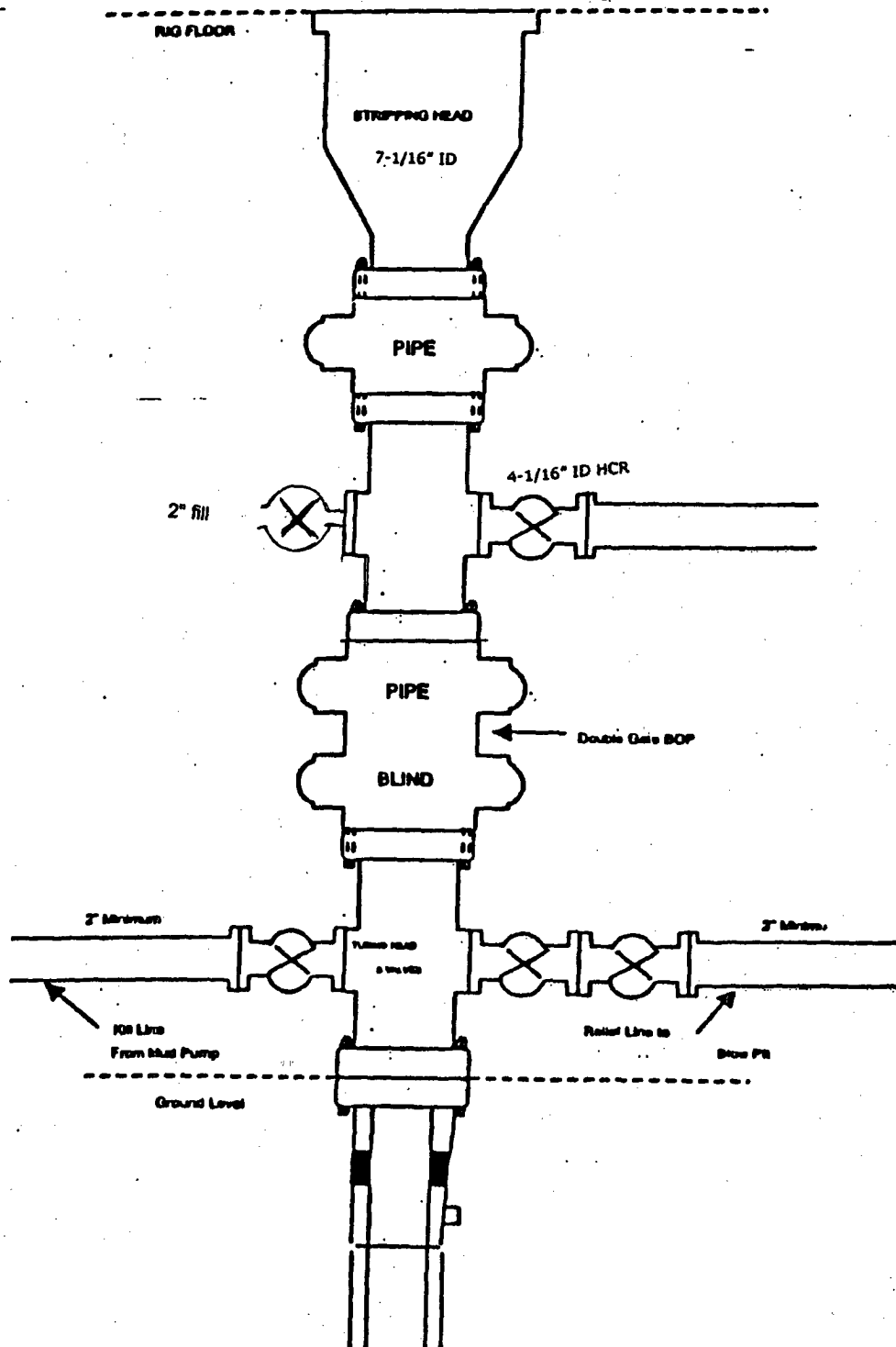


BOP Installation from Surface Casing Point to Total Depth. 11" Bore BOP with 11" bore double gate BOP to be equipped with blind and pipe rams. A 500 psi stripping head on top of ram preventers. All BOP equipment is 2,000 psi working pressure.

Figure #1

BURLINGTON RESOURCES

Figure #4
Cavitation Rig
BOP Configuration
2,000 psi Minimum System



BURLINGTON RESOURCES

SAN JUAN DIVISION

November 14, 2003

(Certified Mail – Return Receipt Requested)

Re: Hale 353S
Basin Fruitland Coal
2150'FSL, 1105'FEL Section 34, T-31-N, R-8-W
San Juan County, New Mexico

To the Affected Persons:

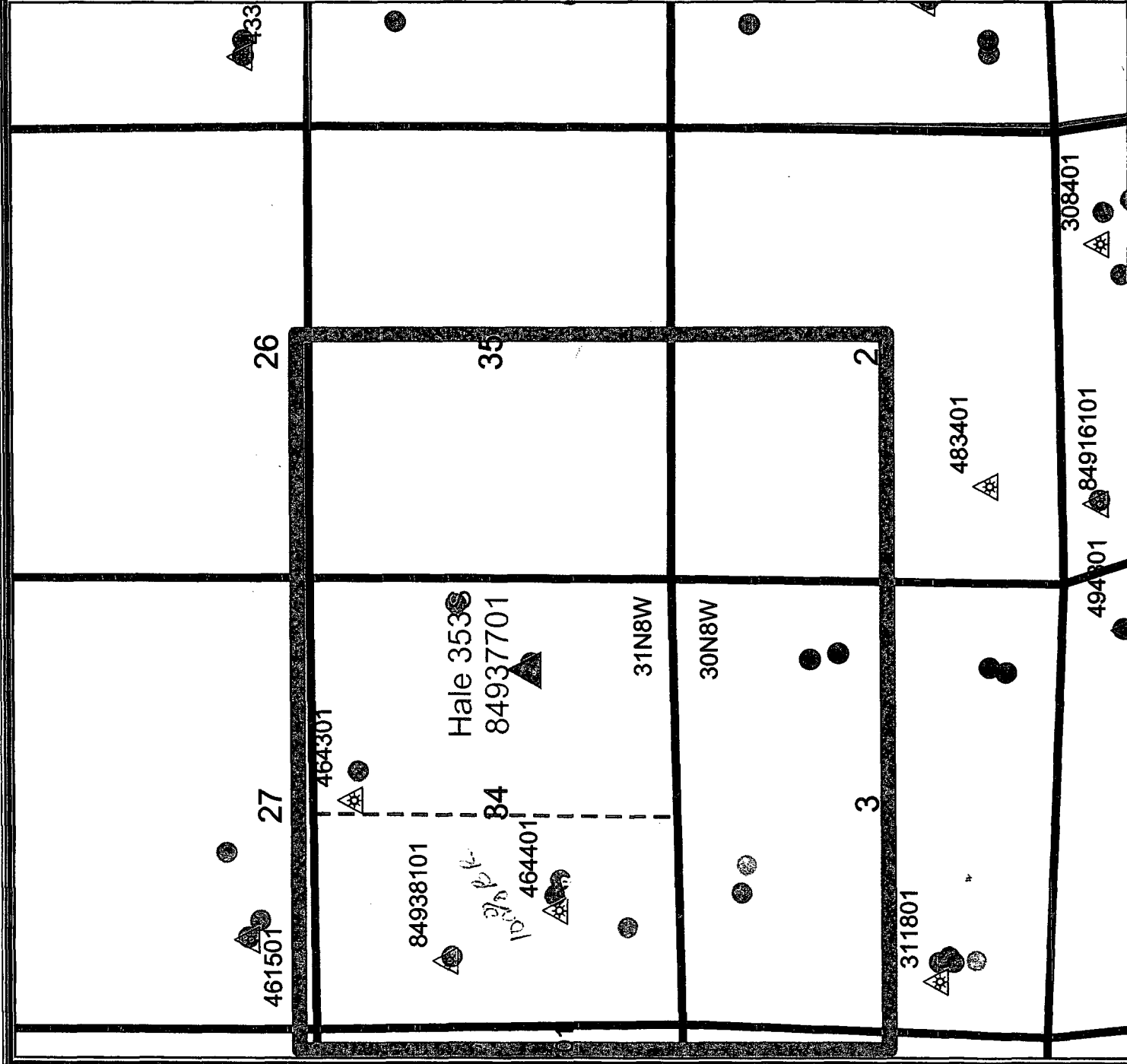
Burlington Resources Oil & Gas Company LP is submitting the enclosed Application for Permit to Drill to the appropriate regulatory agency(s) for approval. This well is located inside the High Productivity Area of the Basin-Fruitland Coal Pool as indicated on the attached plat. Notice is being made pursuant to New Mexico Oil Conservation Commission Order R-8768-F dated July 17, 2003.

The affected parties have twenty (20) days from receipt of this notice in which to file with the District Office of the New Mexico Oil Conservation Division written objection to the proposed Application for Permit to Drill.

Sincerely,



Frances Bond
Regulatory Assistant



Legend

FRUITLAND COAL

Current Operator

Current Operator

UNKNOWN

BP AMERICA

BROG

CONOCOPHILLIPS

DEVON ENERGY

ENERGEN RESOURCES

KOCH EXPLORATION

Sections

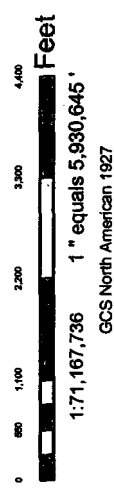
Townships

County Lines

San Juan Federal Units Outlines

**BURLINGTON
RESOURCES**

PLAT



BURLINGTON RESOURCES

San Juan

Hale 353S (HPA)

T31N R8W

Prepared By: *mlb* Date: *10/23/2003*
 File Number: *10/23/2003*
 File Name: *Public\Projects\1 San Juan Basin Users\1 San Juan Basin Users*