

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-3 APD form.

Operator Signature Date: 7/29/14

Well information;

Operator Burlington, Well Name and Number Florance #2B

API# 30-045-35565, Section 21 Township 30 NS, Range 9 EW

Conditions of Approval:

(See the below checked and handwritten conditions)

- Notify Aztec OCD 24hrs prior to casing & cement.
- Hold C-104 for directional survey & "As Drilled" Plat
- Hold C-104 for NSL, NSP, DHC
- Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
 - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
 - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
 - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.

Chantel Kern
NMOCD Approved by Signature

9-9-2014
Date JK

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

APPLICATION FOR PERMIT TO DRILL OR REENTER

JUN 27 2014

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> RE-ENTER		5. Lease Serial / SF-078116-A	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well		6. If Indian, Allottee or Tribe Name	
Other: _____		7. Unit or CA Agreement Name and No.	
2. Name of Operator Burlington Resources Oil & Gas Company		8. Lease Name and Well No. Florance 2B	
3. Address: PO Box 4289, Farmington, NM 87499	3a. Phone No. (include area code) (505) 326-9700	9. API Well No. 30-045-35565	
4. Location of Well (Report location clearly and in accordance with Federal requirements)*		10. Field and Pool or Exploratory	
At surface Unit K (NE/SW), 1697' FSL & 2404' FWL		Blanco MV / Basin DK	
Latitude 36.794596 ° N		11. Sec., T., R., M., on Block and Survey or Area	
Longitude 107.786489 ° W (NAD 83)		Suf: Sec. 21, T30N, R9W	
At BHL N/A		BHL: N/A	
Latitude N/A		12. County or Parish	13. State
Longitude N/A		San Juan	New Mexico
14. Distance in miles from Nearest Town 13 Miles from Aztec	15. Distance from Proposed Location to Nearest Property or Lease Line: 1697'	16. Acres in Lease 423.44	
17. Acres Assigned to Well.: 320.00 Acres S/2 - DK 320.00 Acres S/2 - MV	18. Distance from Proposed Location to Nearest Well, Drlg, Compl, or Applied for on this lease 579' from Florance Com 260 - FC	19. Proposed Depth 7322'	
20. Rotary or Cable Tools Rotary	21. Elevations (DF, FT, GR, Etc.) 6051'	22. Approx. Date Work will Start	
23. Proposed Casing and Cementing Program See Operations Plan attached		ROVD SEP 2 '14	
24. Authorized by: <u>Arleen White</u> Arleen White (Staff Regulatory Tech)		<u>6/26/14</u> OIL CONS. DIV. DIST. 3 Date	

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY: [Signature] TITLE AFM DATE 8/27/14

Archaeological Report attached A gas recovery unit may or may not be used on this location.
 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.

Example Master Plan Type 3 Bond Numbers NMB-000015 and NMB-000089

NMOCD

DRILLING OPERATIONS AUTHORIZED
ARE SUBJECT TO COMPTON
ATTACHED "GENERAL"

This action is subject to
technical and procedural review
pursuant to 43 CFR 3165.3 and
appeal pursuant to 43 CFR 3165.4

BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS

PC

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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 August 1, 2011
Submit one copy to appropriate District Office
JUN 27 2014
Farrington Field Office
Bureau of Land Management
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045- 35565		² Pool Code 72319 / 71599		³ Pool Name BLANCO MESAVERDE / BASIN DAKOTA	
⁴ Property Code 7021		⁵ Property Name FLORANCE		⁶ Well Number 2B	
⁷ OGRID No. 14538		⁸ Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP		⁹ Elevation 6051	

¹⁰ SURFACE LOCATION

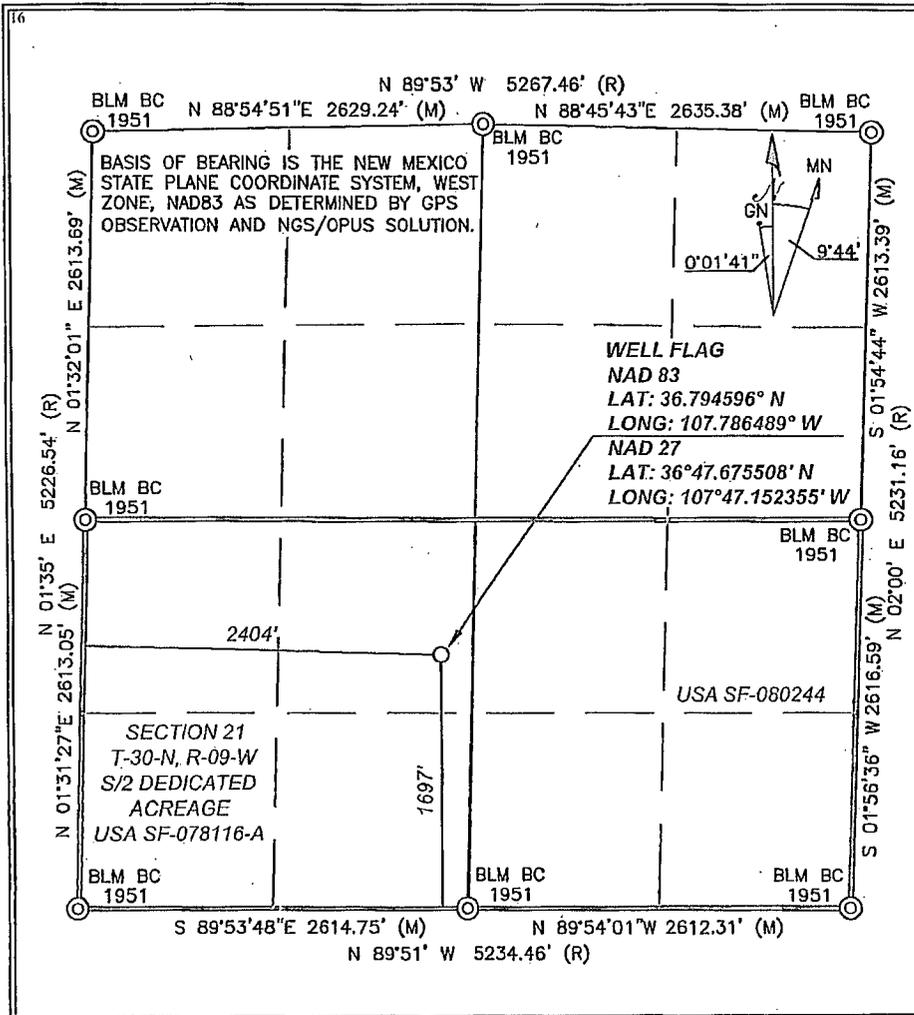
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	21	30-N	9-W		1697	SOUTH	2404	WEST	SAN JUAN

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
								OIL CONS. DIV DIST. 3	

¹² Dedicated Acres S/2(320)MV S/2(320)DK	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. SEP 02 2014
---	-------------------------------	----------------------------------	---

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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Arleen White 2/11/14
Signature Date
Arleen White
Printed Name
arleen.r.white@conocophillips.com
E-mail Address

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: 11/27/2012
Signature and Seal of Professional Surveyor:



Certificate Number: NM 11393

PROJECT PROPOSAL - New Drill / Sidetrack

FLORANCE 2B

DEVELOPMENT

Lease:		AFE #: WAN.CDR.3058			AFE \$:	
Field Name: SAN JUAN		Rig: Pushing Rig		State: NM	County: SAN JUAN	API #:
Geologist:		Phone:		Geophysicist:		Phone:
Geoscientist:		Phone:		Prod. Engineer:		Phone:
Res. Engineer:		Phone:		Proj. Field Lead:		Phone:
Primary Objective (Zones):						
Zone	Zone Name					
FRR	BASIN DAKOTA (PRORATED GAS)					
RON	BLANCO MESAVERDE (PRORATED GAS)					
Location: Surface Datum Code: NAD 27 Straight Hole						
Latitude: 36.794591	Longitude: -107.785872	X: 513896.33	Y: 2108493.54	Section: 21	Range: 009W	
Footage X: 2404 FWL	Footage Y: 1697 FSL	Elevation: 6051	(FT)	Township: 030N		
Tolerance:						
Location Type: Year Round		Start Date (Est.): 1/1/2016		Completion Date:		Date In Operation:
Formation Data: Assume KB = 6066 Units = FT						
Formation Call & Casing Points	Depth (TVD in Ft)	SS (Ft)	MD (Ft)	Depletion (Yes/No)	BHP (PSIG)	BHT
NACIMIENTO	0	6066		<input type="checkbox"/>		
Surface Casing	200	5866		<input type="checkbox"/>		
OJO ALAMO	1457	4609		<input type="checkbox"/>		
KIRTLAND	1639	4427		<input type="checkbox"/>		
FRUITLAND	2198	3868		<input type="checkbox"/>	90	Possible Gas
PICTURED CLIFFS	2765	3301		<input type="checkbox"/>		
LEWIS	2965	3101		<input type="checkbox"/>		
Intermediate Casing	3115	2951		<input type="checkbox"/>		112 8 3/4" Hole. 7", 23/20 ppf, J-55, LTC/STC Casing. Cement with 702 cuft. Circulate cement to surface.
HUERFANITO BENTONITE	3473	2593		<input type="checkbox"/>		
CHACRA	3763	2303		<input type="checkbox"/>		
UPPER CLIFF HOUSE	4278	1788		<input type="checkbox"/>		
MASSIVE CLIFF HOUSE	4391	1675		<input type="checkbox"/>	227 141	Gas; Cliffhouse is dry
MENEFEE	4571	1495		<input type="checkbox"/>		
POINT LOOKOUT	5020	1046		<input type="checkbox"/>		
MANCOS	5354	712		<input type="checkbox"/>		
UPPER GALLUP	6281	-215		<input type="checkbox"/>		
GREENHORN	7023	-957		<input type="checkbox"/>		
GRANEROS	7065	-999		<input type="checkbox"/>		
TWO WELLS	7099	-1033		<input type="checkbox"/>	2466 196	Gas
PAGUATE	7201	-1135		<input type="checkbox"/>		
UPPER CUBERO	7235	-1169		<input type="checkbox"/>		
LOWER CUBERO	7242	-1176		<input type="checkbox"/>		Est bottom perf 7307' TVD (15' from TD)
ENCINAL	7322	-1256		<input type="checkbox"/>		TD - T/ENCN
Total Depth	7322	-1256		<input type="checkbox"/>	199	6-1/4" hole, 4-1/2" 11.6 ppf, N/L-80, LTC/BTC casing. Cement w/ 551 cuft. Circulate cement a minimum of 100' inside the previous casing string.

PROJECT PROPOSAL - New Drill / Sidetrack

FLORANCE 2B

DEVELOPMENT

Reference Wells:		
Reference Type	Well Name	Comments
Production	FLORANCE AC 3A	
Production	FLORANCE (AMO) 2	

Logging Program:

Intermediate Logs: Log only if show GR/ILD Triple Combo

TD Logs: Triple Combo Dipmeter RFT Sonic VSP TDT Other

Mud log from ~100' above the Upper Gallup to TD. Mud loggers will call final TD.

Additional Information:

Log Type	Stage	From (Ft)	To (Ft)	Tool Type/Name	Remarks

surfacing material is required, it will be obtained from existing permitted or private sources and will be hauled in by trucks over existing Resource roads to the area.

F. For well pad cut and fill see Sheet F.

G. As determined during the onsite on 3-4-14, the following best management practices will be implemented:

1. Round corner #3 to avoid large fill
2. Stack topsoil around well pad in EOD
3. Silt trap at corner 2
4. Low Profile equipment will be used and painted Juniper Green.

H. Construction equipment may include chain saws, a brush hog, scraper, maintainer, excavator, hydraulic mulcher, chippers and dozer. Construction of the resource road and well pad will take approximately 2 to 4 weeks.

I. The resource road and well pad are on lease so no additional ROW will be required.

J. Construction contractors will call New Mexico One-Call (or equivalent) to identify the location of any marked or unmarked pipeline or cables located in proximity to the proposed resource road and well pad at least two working days prior to ground disturbance.

K. All operations will be conducted in such a manner that full compliance is made with the applicable laws and regulations, the Application for Permit to Drill, and applicable Notice(s) to Lessees.

VII. Methods for Handling Waste

- ✓ A. Cuttings, Drilling Fluids, and Flowback Water - The drill cuttings, drill water and completion fluids will be placed in a lined reserve pit. The pit will be lined with 20m gage pit liner. The reserve pit will be fenced on three sides away from the pad during drilling and the fourth side fenced as soon as the rig moves out. The free fluids will be removed after completion or may be trucked and reused in drilling operations or trucked to an approved disposal facility as indicated in

Burlington Resources Drilling / Workover Pit Closure Procedure dated June 28, 2013 on file at the NMOCD office in Aztec, NM.

B. Garbage and other waste material - garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash container during drilling and completion operations. The accumulated trash will be removed, as needed, and will be disposed of at an authorized sanitary landfill. No trash will be buried or burned on location.

C. Sewage - self-contained, chemical toilets will be provided for human waste disposal. The toilet holding tanks will be pumped, as needed, and the contents thereof disposed of in an approved sewage disposal facility. The toilets will be onsite during all operations.

D. Immediately after drilling and completing activities have ceased, all debris and other waste materials not contained in the trash containers will be cleaned up and removed from the well location.

VIII. Ancillary Facilities

A. The proposed areas and access roads listed below could be utilized for staging of construction, drilling, and completion equipment to facilitate drilling operations. Additionally, staging could occur, within the permitted right-of-way, along the route shown on Sheet B and described on Sheet C. Staging could take place when the rig moves in or off location. Any proposed temporary use area will be returned to same or better condition than before operations began and will comply with the BLM FFO Bare Soil Reclamation Procedures.

1. Florance Com 260 well pad-UL N, 1200' FSL & 2100' FWL, Section 21, T30N, R09W (On Lease)

IX. Well Site Layout

A. The proposed well pad layout is shown on Sheet G. Cross sections have been drafted to visualize the planned cuts and fill across the location. Refer to Section VI for construction materials and methods.

B. Office trailers equipped with living quarters will be provided on location during drilling and completions operations.

BURLINGTON RESOURCES OIL & GAS COMPANY LP

FLORANCE 2B

1697' FSL, 2404' FWL

SECTION 21, T-30-N, R-9-W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

NAD 83 LAT.: 36.794596°N LONG.: 107.786489°W

NAD 83 LAT.: 36°47'40.5467"N LONG.: 107°47'11.3617"W

ELEV.: 6051 NAVD88

241' NEW ACCESS

FROM AZTEC NEW MEXICO, INTERSECTION OF US HWY 550 & US HWY 516.

- GO 1.0 MILE NORTH ON US HWY 550 TOWARD DURANGO. TURN RIGHT ON NM STATE HWY.173, TOWARDS NAVAJO DAM.
- GO 11.1 MILES EAST ON NM STATE HWY.173. TURN RIGHT.
- GO 0.5 MILES SOUTH EAST. TURN LEFT.
- GO 0.3 MILES EAST. BEGIN 241 FT. ACCESS ON LEFT.