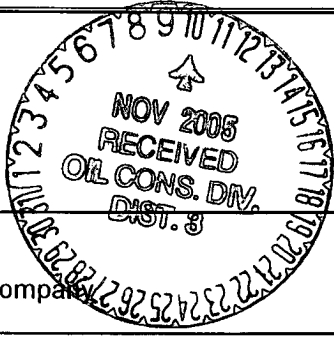


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL		5. Lease Number M00-C-1420-0626 Unit Reporting Number
1b. Type of Well GAS		6. If Indian, All. or Tribe Ute Mountain Ute
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 Pinon Mesa A	9. Well Number #1F
4. Location of Well 2175' FNL, 1700' FEL Latitude 36° 51.5253'N, Longitude 108° 15.3827'	10. Field, Pool, Wildcat Basin Dakota	11. Sec., Twn, Rge, Mer. (NMPM) W 6 Sec. 36, T31N, R14W API # 30-045-33424
14. Distance in Miles from Nearest Town San Juan NM	12. County	13. State
15. Distance from Proposed Location to Nearest Property or Lease Line 1700'	Venting / Flaring approved for 90 days per NTL-4A	
16. Acres in Lease <div style="border: 1px solid black; padding: 5px; display: inline-block;">SEE ATTACHED CONDITIONS OF APPROVAL</div>	17. Acres Assigned to Well 320 acres E/2 324.74	
18. Distance from Proposed Location to Nearest Well, Drig, Compl, or Applied for on this Lease 11300'		
19. Proposed Depth 6373'	Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto.	
20. Rotary or Cable Tools Rotary	22. Approx. Date Work will Start	
21. Elevations (DF, FT, GR, Etc) 5714' GR		
23. Proposed Casing and Cementing Program See Operations Plan attached		
24. Authorized by: <u>Joni Clark</u> Regulatory/Compliance Specialist	Date <u>2/10/05</u>	

PERMIT NO. _____ APPROVAL DATE _____ APPROVED FOR A PERIOD NOT TO EXCEED 1 YEAR.

APPROVED BY: /s/ Brian W. Davis TITLE Acting Field Office Manager DATE NOV - 9 2005

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.

RECEIVED
FEB 17 2005

Bureau of Land Management
Durango, Colorado

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33424	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 7392	⁵ Property Name PINON MESA A	⁶ Well Number 1F
⁷ OGRID No. 14538	⁸ Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY LP	⁹ Elevation 5714'

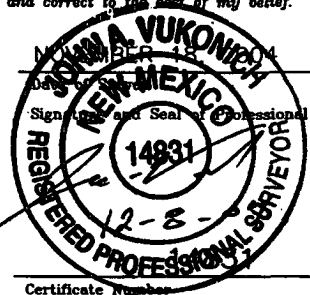
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	36	31-N	14-W		2175	NORTH	1700	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
G									
¹² Dedicated Acres 324.74 E/2 320 acres E/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 FOUND 3 1/4" B.L.M. AC 1985 N 89-59-02 W 2719.12' (M) 2175' LOT 1 LOT 2 1700' 36 LAT: 36°51.5253' N (NAD 27) LONG: 108°15.3827' W (NAD 27) UTE MTN MOO-C-1420-0626		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Patsy Clugston</u> Signature Patsy Clugston Printed Name Sr. Regulatory Specialist Title 12-21-04 Date
LOT 3 FOUND 3 1/4" B.L.M. AC 1985 S 00-50-22 W 2642.06' (M) LOT 4 LOT 5 LOT 6 LOT 7		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.  Certificate Number

Office

Energy, Minerals and Natural Resources

May 27, 2004

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-045- 33424

5. Indicate Type of Lease

STATE ☐FEE ☐

6. State Oil & Gas Lease No.

Ute Mtn MOO-C-1420-0626

7. Lease Name or Unit Agreement Name

Pinon Mesa A

8. Well Number

1F

9. OGRID Number

14538

10. Pool name or Wildcat

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 G : 2175 feet from the North line and 1700 feet from the East line
 Section 36 Township 31N Range 14W NMPM County San Juan

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

5714'

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

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 ☐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:

New Drill Pit ☒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 drilling pit and an associated vent/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 vent/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

Joni Clark

TITLE

Regulatory Specialist

DATE

1/25/2005

Type or print name

Joni Clark

E-mail address:

tjones3@br-inc.com

Telephone No.

505-326-9700

For State Use Only

APPROVED BY

[Signature]

TITLE

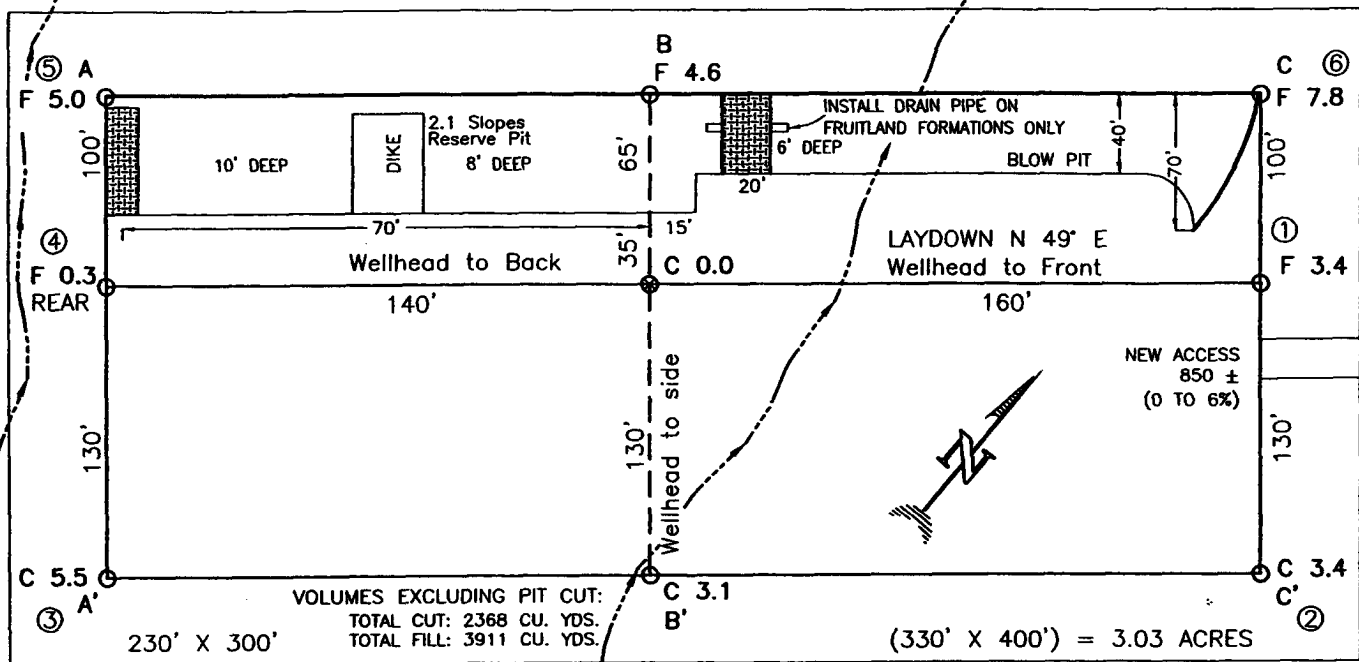
DEPUTY OIL & GAS INSPECTOR, DIST. 4

DATE

NOV 10 2005

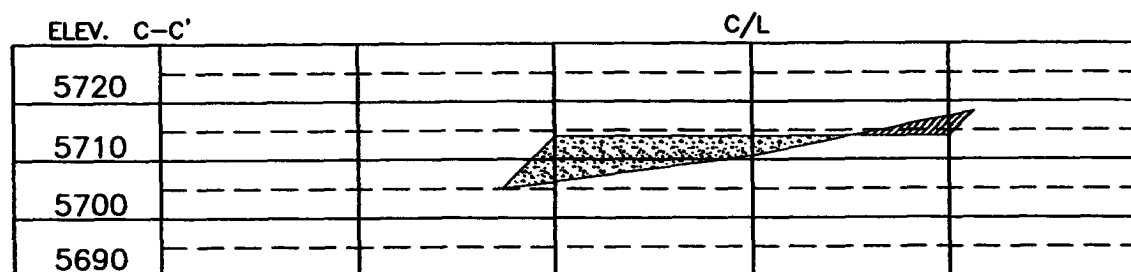
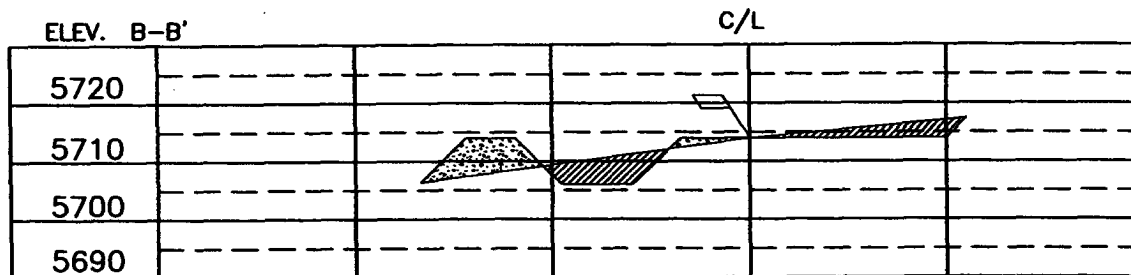
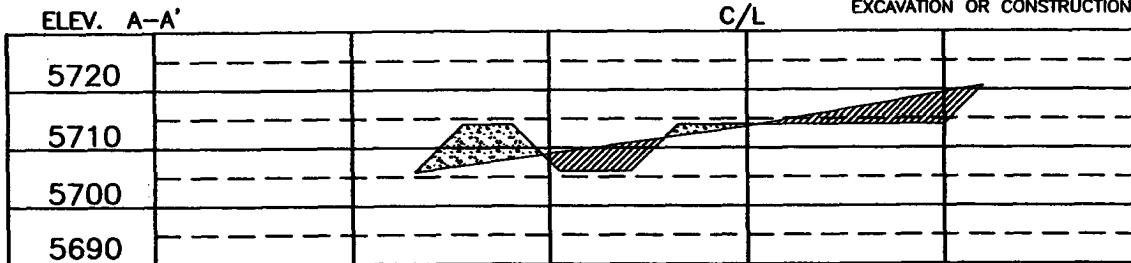
Conditions of Approval (if any):

BURLINGTON RESOURCES OIL & GAS COMPANY LP
PINON MESA A NO. 1F, 2175 FNL 1700 FEL
SECTION 36, T-31-N, R-14-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 5714, DATE: NOVEMBER 18, 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:	REVISED BY:

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15088 · Farmington, NM 87401
 Phone (505) 326-1772 · Fax (505) 326-6019
 NEW MEXICO L.S. No. 44831
 CURLE BR541-CF8
 DATE: 12/01/04

DRAWN BY: C.V.
 ROW# BR541

OPERATIONS PLAN

Well Name: PINON MESA A #1F
Location: 2175' FNL & 1700' FEL, Section 36 T31N R14W
San Juan County, New Mexico

Formation: Basin Dakota
Elevation: 6373'

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Kirtland	Surface	1336'	gas
Fruitland Coal	1336'	1521'	gas
Pictured Cliffs	1521'	1683'	gas
Lewis	1683'	2276'	
Huerfanito Bentonite	2276'	2628'	
Chacra	2628'	3151'	gas
Massive Cliff House	3151'	3266'	gas
Menefee	3266'	3961'	gas
Intermediate 7"	3416'		
Massive Point Lookout	3961'	4313'	gas
Mancos Shale	4313'	5299'	
Upper Gallup	5299'	6079'	gas
Greenhorn	6079'	6138'	gas
Graneros	6138'	6199'	gas
Two Wells	6199'	6250'	gas
Paguate	6250'	6293'	gas
Cubero	6293'	6324'	gas
Encinal	6324'	6348'	gas
Total Depth:	6373'		

Logging Program:

Mud Logs/Coring/DST

Mud logs - none
Coring - none
DST - none
Open hole - none
Cased hole - Gamma Ray, CBL - surface to TD

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0 - 120'	Spud MUD/Air/Air Mist	8.4 - 9.0	40 - 50	no control
120 - 3416'	LSND	8.4 - 9.0	30 - 60	no control
3416 - 6373'	Air/Air Mist/Nitrogen	n/a	n/a	no control

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' - 120'	9 5/8"	32.3#	H-40
8 3/4"	0' - 3416'	7"	20/23#	J-55
6 1/4"	0' - 6397'	4 1/2"	10.5#	J-55

Tubing Program:

<u>Depth Interval</u>	<u>Csg.Size</u>	<u>Wt.</u>	<u>Grade</u>
0' - 6373'	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 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 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 1/2" 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 -

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. (38 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, 2% 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. 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. 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 with 303 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 (770 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/193 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss. Tail w/90 sacks Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. Second stage: 109 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (770 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 third joint off bottom, to the base of the Ojo Alamo @ 689'. Two turbolating centralizers at the base of the Ojo Alamo 689'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Casing -

Cement w/207 sxs Premium Lite HS w/0.25 pps celloflake, 0.3% CD-32, 6.25 pps LCM-1, 1% fluid loss (411 cu.ft., 30% excess to achieve 100' overlap in 4-1/2" x 7" annulus). WOC a minimum of 18 hrs prior to completing.

Cementing: Continued

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:

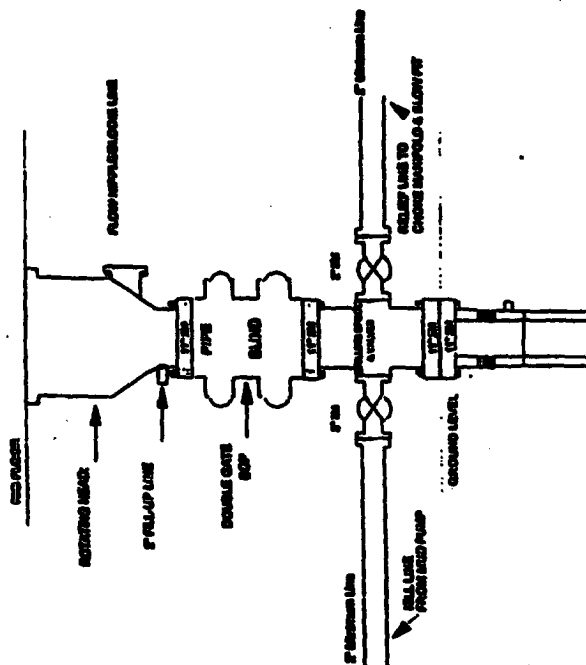
Fruitland Coal	300 psi
Pictured Cliffs	600 psi
Mesa Verde	700 psi
Dakota	2000 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The east half of Section 36 is dedicated to the Dakota formation.
- This gas is dedicated.


Drilling Engineer

2-15-05
Date

Burlington Resources

Drilling Rig 2000 psi System

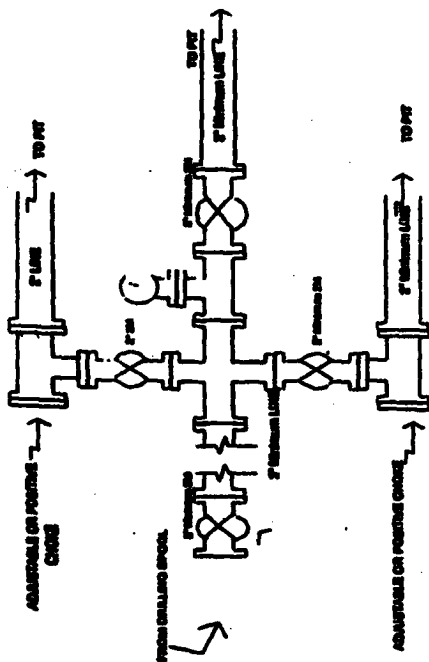


BOP Installation from Surface Casting Pond to Total Depth. 11" Bore 10" Nominel, 2000 gal working pressure double gate BOP to be equipped with blind rams and jags cames. A 500 gal rotating tank on top of man inventories. All BOP equipment is 2,000 gal working pressure.

Figure #1

4-20-01

**Drilling Rig
Choke Manifold Configuration
2000 psi System**

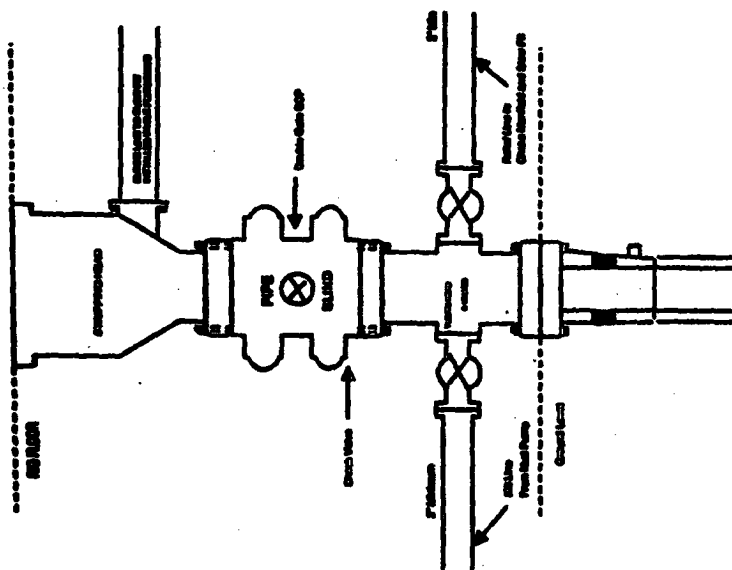


Choice manifold installation from Surface Casing
Feet to Total Depth. 2,000psi working pressure
equipment with two choices.

Figure 33

4-20-01

**Completion/Workover Rig
BOP Configuration
2,000 psi System**



Minimum SGP installation for all Compusteel®Hewer Operations. 7'-11/16" barn, 2000 psi minimum working pressure double gate SGP to be equipped with blind and pipe flange. A stopping head to be installed on the top of the SGP. AS SGP equipment to 2000 psi working pressure or greater including 2500 psi stopping head.

Figure 12

Burlington Resources Oil & Gas Company
Tribal Lease: MOO-C-1420-0626
Well: Pinon Mesa A #1-F
Location: 2175' FNL & 1700' FEL
Sec. 36, T. 31 N., R. 14 W.
San Juan County, New Mexico

Commingling of the Dakota and Mesa Verde formations are not authorized at this time.

Conditions of Approval - Drilling Plan:

1. All drilling locations must be built as drilled, not constructed back to back prior to drilling.
2. The BOP must have adjustable chokes.
3. No additional zones will be commingled without UMU Tribal and BLM approval.
4. Stabilized Bottom hole pressures must be taken from each perforated zone.
5. Notify this office during working hours **at least 72 hours** prior to:
 - a. spudding the well*
 - b. running casing strings and cementing
 - c. BOP tests
 - d. Drill Stem testing

* at this time provide phone numbers for the rig and your field representative (mobile and office) to facilitate the scheduling of BLM Technicians to witness the above operations.

6. All BOP tests will be performed with a test plug in place. BOP will be tested to full stack working pressure and annular preventer to 50% maximum stack working pressure. All accumulators will be function tested as per Onshore Order #2. All 2M or greater systems require **adjustable** chokes as per Onshore Order #2. 3M BOPs must have an Annular Preventer and the Choke line must be 3".
7. If a BLM Inspector is not present during the initial BOP test, please provide chart record.

Continued on page 2.

8. Cementing of the 7" Intermediate Casing: If cement does not circulate or cement circulates but falls back in the annular beyond visual sight, a temperature survey or other preferred method may be employed to determine the amount of fall back.

Cementing of the 4-1/2" Production Casing: A cement bond log will be run prior to perforating. A 360 degree cement evaluation log is recommended, but the conventional bond log would be acceptable. Whether or not the cement circulates to the surface, a cement bond log will be run prior to perforating for completion.

9. Submit copies of all logs to the BLM office in both paper and in Log ASCII Standard (LAS) format.

10. If any operations are to start over the weekend, notify this office by noon Friday. If any problems arise after hours or on weekends, call BLM personnel using the home phone numbers listed on the following 'INFORMATIONAL NOTICE - APD's'.

11. If commingling becomes a permanent part of the well completion and a change in production performance indicates that one particular zone's capacity becomes altered due to a drop in bottom hole pressure, a drop in fluid capacity, an inflow of water, or an inflow of either oil or gas, the BLM will have the authority to request sufficient testing to determine what particular zone and to what degree that zone is contributing to the decrease in production or change in fluids. The operator is on notice that after a three to five year period you could be requested to retest the producing zones if the BLM believes there is a significant change in one or more commingled zones. Should an unexpected change take place within a short period of time following the initial completion, it is required to provide a reason for that change and the technical data to support the cause of such change.