UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

	APPLICATION	FOR PERMIT TO DRILL, DEEPE	N, OR PLUG BACK	JAN 27 6M 7
a.	Type of Work DRILL	FEB 2006	5. Lease Number SF-07776 Unit Reporting(N	
b.	Type of Well GAS	1000 M. 1000 M	6. If Indian, All. or T	ribe
	Operator BURLINGTON RESCURCES Oil & Ga	LOS X C = INSCRIPTION	7. Unit Agreement i	Name
•	Address & Phone No. of Opera PO Box 4289, Farming (505) 326-9700		8. Farm or Lease Na Schumach 9. Well Number #1B	
	Location of Well 1440' FNL, 680' FEL Latitude 36° 48.9187'1	N, Longitude 107º 54.0056	10. Field, Pool, Wild Basin Dakota/B 11. Sec., Twn, Rge, 'W	lanco Mesaverdo Mer.(NMPM) T30N, R10W
4.	Distance in Miles from Neares 5.1 miles to Aztec, N		12. County San Juan	13. State
5.	Distance from Proposed Loca	tion to Nearest Property or Lease L	ine	
6.	Acres in Lease	,	17. Acres Assigned N/2 320 E/2 311.	- MV
8.	Distance from Proposed Loca	tion to Nearest Well, Drlg, Compl, c	or Applied for on this L	ease
9.	Proposed Depth		20. Rotary or Cable Rotary	Tools
1.	Elevations (DF, FT, GR, Etc.) 6468' GR		22. Approx. Date W	ork will Start
23.	Proposed Casing and Cement See Operations Plan		.1.	
24.	Authorized by: Regulator	y/Compliance Specialist	Date	Lle IVIC
APPR	OVED BY And a secological Report attached	APPROVAL D	ATE DAT	E 2/15/6 6

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.

This action is subject to fer inical and procedural reversitiours and to 43 CFR 3165.3 and appear pure large to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUPPLIED COMPLIANCE WITH ATTACHED 1997.



State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised June 10, 2003

State Lease - 4 Copies

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

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

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

Fee Lease - 3 Copies

RECar D

Submit to Appropriate District Office

☐ AMENDED REPORT

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

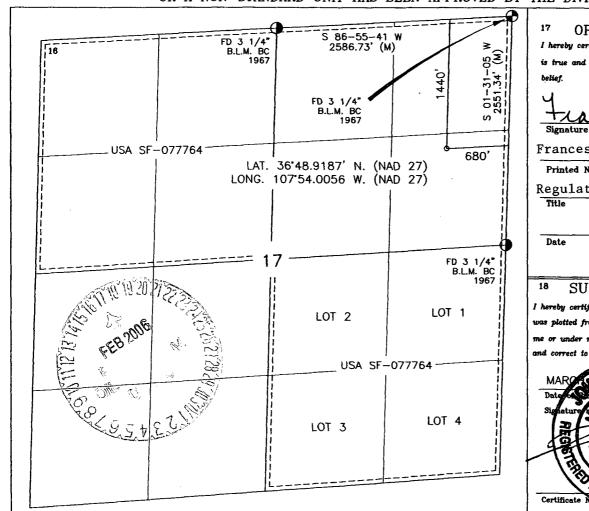
WELL LOCATION AND ACREAGE DEDICATION PLATING

1 API Number 33552		*Pool Code 72319/71599	Blanco Mesaver	³Pool Name de/Basin Dakota			
Property Co	⁴ Property Code			⁵ Property Name		⁶ Well Number	\dashv
7491	/			SCHUMACHER	✓	1B	4
OGRID No.				Operator Name		⁶ Elevation	٦,
14538	/		BURLINGTON RESOURCES OIL & GAS COMPANY LP		6468'		

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
Н	17	30-N	10-W		1440	NORTH	680	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
DK-311.8		<u> </u>	¹⁸ Joint or	Infill	¹⁴ Consolidation C	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



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.

Signature

Frances Bond

Printed Name

Regulatory Specialist

Title

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 belief.

MARCANAL MESONAL STATES

Signature as September 14434

Signature as September 14434

Signature as September 14434

Signature as September 14434

Detection 14434

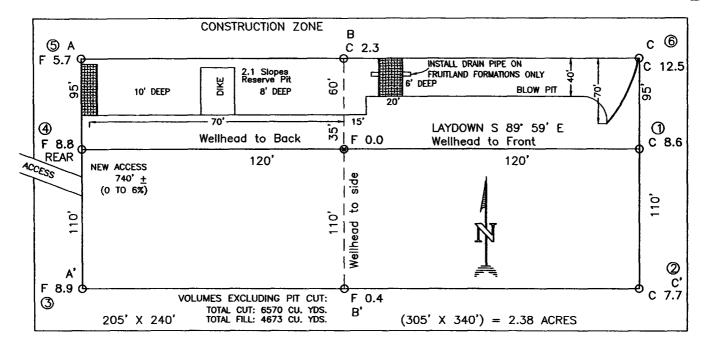
Signature as September 14434

Signature 14434

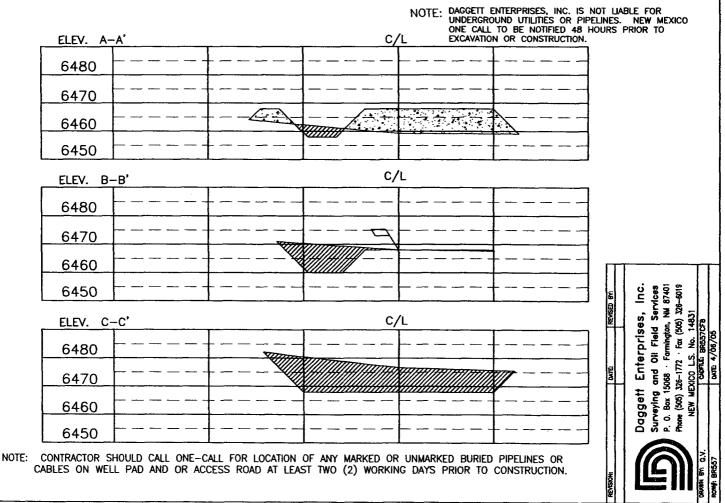
Signatur

Submit 3 Copies To Appropriate District Office	State of New Mexico	Form C-103				
District I	Energy, Minerals and Natural Resou	ces May 27, 2004				
1625 N. French Dr., Hobbs, NM 88240 District II		WELL API NO. 30-045-				
1301 W. Grand Ave., Artesia, NM 88210		ON 5. Indicate Type of Lease				
District III	1220 South St. Francis Dr.	STATE FEE				
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 87505	6. State Oil & Gas Lease No				
1220 S. St. Francis Dr., Santa Fe, NM 87						
	ICES AND REPORTS ON WELLS LS TO DRILL OR TO DEEPEN OR PLUG BACK TO A	7. Lease Name or Unit Agreement Name				
	TION FOR PERMIT" (FORM C-101) FOR SUCH	Schumacher				
PROPOSALS.) 1. Type of Well:		8. Well Number				
Oil Well Gas Well X	Other	1B				
2. Name of Operator	COLDCES ON & CAS COMPANY ID	9. OGRID Number				
3. Address of Operator	SOURCES OIL & GAS COMPANY LP	14538 10. Pool name or Wildcat				
3401 E. 30TH ST	REET, FARMINGTON, NM 87402	Blanco Mesaverde/Basin Dakota				
4. Well Location Unit Letter H	1440 feet from the North line a	nd680 feet from theEast line				
Section 17	Township 30N Range	10W NMPM County San Juan				
1 Same 2 ft - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1. Elevation (Show whether DR, RKB, RT, GR, et	A CONTROL OF THE PROPERTY OF T				
Pit or Below-grade Tank Application	X or Closure					
Pit type New Drill Depth to Ground	dwater	>1000' Distance from nearest surface water <1000'				
Pit Liner Thickness: 12	mil Below-Grade Tank: Volume	bbls; Construction Material				
	Appropriate Box to Indicate Nature o	Notice, Report or Other Data				
	INTENTION TO:	SUBSEQUENT REPORT OF:				
PERFORM REMEDIAL WORK TEMPORARILY ABANDON	- H	EDIAL WORK IMENCE DRILLING OPNS. P AND A				
PULL OR ALTER CASING		ING/CEMENT JOB				
OTHER: No	ew Drill X OTH	FR·				
	eted operations. (Clearly state all pertinent details,					
of starting any proposed wor	rk). SEE RULE 1103. For Multiple Completions					
or recompletion.	•					
		flare pit. Based on Burlington's interpretation of the				
		Burlington's Revised Drilling / Workover Pit Construction /				
-	•	rtion of the vent/flare pit will be designed to manage fluids nticipates closing these pits according to the Drilling /				
=	lated August 2, 2004 on file at the NMOCD office					
I hereby certify that the information a	above is true and complete to the best of my know	edge and belief. I further certify that any pit or below-				
grade tank has been/will be constructed or c	losed according to NMOCD guidelines, a general perm	it \overline{X} or an (attached) alternative OCD-approved plan $\overline{\ }$				
SIGNATURE	MI COUL TITLE	Regulatory Specialist DATE 5/27/2005				
<u> </u>	THE TILE	Regulatory Specialist DATE 5/27/2005				
Type or print name Joni Clark E-mail address: <u>iclark@br-inc.com</u> Telephone No. 505-326-9700						
For State Use Only						
APPPROVED BY						
Conditions of Approval (if any):	<i>]</i>					
	T/					

BURLINGTON RESOURCES OIL & GAS COMPANY LP SCHUMACHER NO. 1B, 1440 FNL 680 FEL SECTION 17, T-30-N, R-10-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 6468, DATE: MARCH 29, 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.



OPERATIONS PLAN

Well Name:

SCHUMACHER 1B

Location:

1440' FNL & 680' FEL, Section 17 T30N R10W

San Juan County, New Mexico

Formation:

Blanco Mesaverde/Basin Dakota

Elevation: 6468' GL

Formation Tops:	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	1697 '	
Ojo Alamo	1697'	1818'	aquifer
Kirtland	1818'	2832'	gas
Fruitland Coal	2832'	3058'	qas
Pictured Cliffs	3058'	3202'	qas
Lewis	3202 '	3794'	,
Huerfanito Bentonite	3794'		
Chacra	4087 '	4657'	gas
Massive Cliff House	4657'	4840'	gas
Menefee	4840'	5354'	gas
Massive Point Lookout	5354 '	5685'	qas
Mancos Shale	5685 '	6580'	•
Upper Gallup	6580 '	7315 '	gas
Greenhorn	7315'	7370 '	gas
Graneros	7370 '	7425'	gas
Two Wells	7425'	7508 '	gas
Paguate	7508 '	7559 '	gas
Cubero	7559'	7618'	gas
Encinal	7618'	7618'	gas
Total Depth:	7618'		gas

Logging Program:

Mud Logs/Coring/DST

Mud logs - none

Coring - none

DST - none

Open hole - none

Cased hole - Gamma Ray, CCL, CBL - surface to TD

Mud Program:

<u>Interval</u> 0 - 120 200	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	Fluid Loss
0 - 120, 200	Spud MUD/Air/Air Mist	8.4 - 9.0	40 - 50	no control
120 - 3302 ′	LSND	8.4 - 9.0	30 - 60	no control
3302 - 7618 ′	Air/Air Mist/Nitrogen	n/a	n/a	n/a

C. HARRADEN/ January 30, 2006 EH

BURLINGTON RESOURCES/ Schumacher #1B APD

STIPULATION/CONDITION OF APPROVAL

This well is located within a 'vulnerable area'. In order to protect the integrity of the alluvium aquifer, a minimum surface csg. depth of 200' is stipulated as a condition of approval for this APD.

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

<u> Hole Size</u>	Depth Interval	<u>Csg.Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 120 200	9 5/8"	32.3#	H - 40
8 3/4"	0' - 3302'	7"	20/23#	J-55
6 1/4"	0' - 7618'	4 1/2"	10.5#	J-55

Tubing Program:

Depth Interval	<u>Csg.Size</u>	<u>Wt.</u>	<u>Grade</u>
0' - 7618'	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.

<u> Wellhead -</u>

9 5/8" x 7" x 4 ½" 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.

testing or drilling out from under surface.

Conventionally Drilled r Cement with 88 sk Type III cement with 0.25 pps
Celloflake, 2% CaCl. (123 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 288 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 (738 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/23 sacks 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: 265 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (738 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 @ 1818'. Two turbolating centralizers at the base of the Ojo Alamo @ 1818'. 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 -

Pump 297 sxs Premium Lite HS FM w/0.25 pps celloflake, 0.3% CD-32, 6.25 pps LCM-1, 1% fluid loss, 6% gel, 7 pps CSE (384 cu.ft., 30% excess to achieve 100' overlap in $4-1/2" \times 7"$ 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.

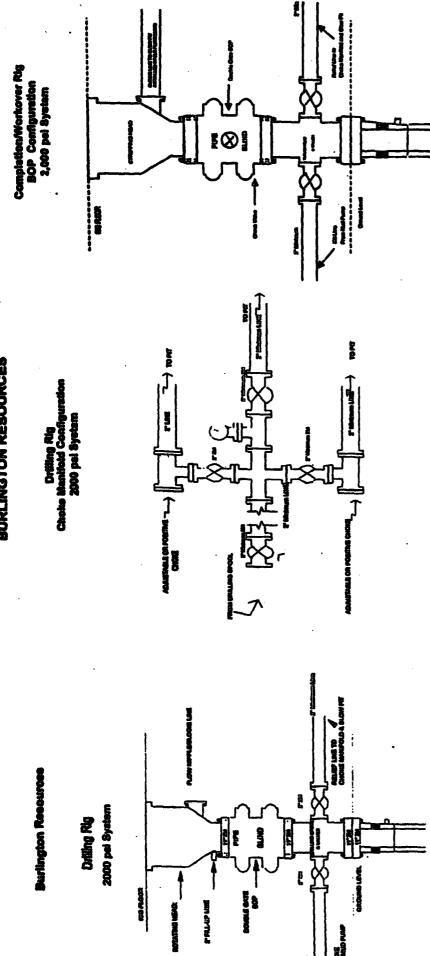
Additional Information:

- 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 north half of Section 17 is dedicated to the Mesa Verde formation and the east 311.82 acres of Section 17 is dedicated to Dakota formation.
- This gas is dedicated.

/a/	Um wad	6/1/05
	Drilling Engineer	Date



po rama. A stripping head to be installed on the top of he BOP. As BOP equipment is 2000 pet work tibona. 7-1/16" bone, 2000 pal min distrium 609 incustation for eff Com une deuble gate BOP to be equi

Figure #3

Figure #