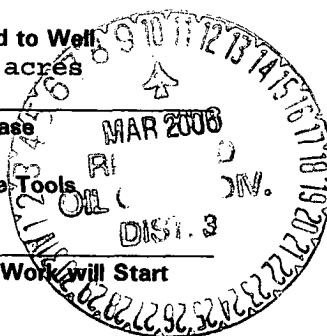


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL	5. Lease Number 2006 FEB 07 9634 27 3 20 Unit Reporting Number RECEIVED 6. If Indian, All. or Tribe UTO FARMINGTON NM	
1b. Type of Well GAS	7. Unit Agreement Name	
2. Operator BURLINGTON RESOURCES Oil & Gas Company	8. Farm or Lease Name McClanahan	
3. Address & Phone No. of Operator PO Box 4289, Farmington, NM 87499 (505) 326-9700	9. Well Number #18M	
4. Location of Well 1470' FSL, 925' FEL Latitude 36° 39.5377'N, Longitude 107° 50.4318'W	10. Field, Pool, Wildcat Blanco Mesaverde/Basin Dakota 11. Sec., Twn, Rge, Mer. (NMPM) ↓ Sec. 13, T28N, R10W API # 30-045- 33601	
14. Distance in Miles from Nearest Town 13 miles to intersection Hwy 64 & 550 in Bloomfield	12. County San Juan	13. State NM
15. Distance from Proposed Location to Nearest Property or Lease Line 925'	17. Acres Assigned to Well E/2 320 acres	
16. Acres in Lease	20. Rotary or Cable Tools Rotary	
18. Distance from Proposed Location to Nearest Well, Drig. Compl, or Applied for on this Lease 90'		
19. Proposed Depth 6494'		
21. Elevations (DF, FT, GR, Etc.) 5773' 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>3/12/06</u> Date	

PERMIT NO. _____

APPROVAL DATE _____

APPROVED BY _____

TITLE _____

DATE 3/7/06

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.

This document is for informational purposes only. It does not constitute a permit or approval. For more information, please contact the Bureau of Land Management.

BLM Form 3160-3 (Rev. 10/01)
Bureau of Land Management
U.S. Department of the Interior

NMOCDC

R

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33601		*Pool Code 72319/71599	*Pool Name Bianco Mesaverde/Basin Dakota
*Property Code 18577 ✓	*Property Name McCLANAHAN		*Well Number 18M ✓
*GRID No. 14538 ✓	*Operator Name BURLINGTON RESOURCES OIL & GAS COMPANY, LP ✓		*Elevation 5773' ✓

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
I	13	28N	10W		1470	SOUTH	925	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
¹² Dedicated Acres E/2 320 ac. 14V/DK					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 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Joni Clark Printed Name Sr. Regulatory Specialist Title 12/13/05 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. Survey Date: NOVEMBER 22, 2005 Signature and Seal of Professional Surveyor JASON C. EDWARDS Certificate Number 15269

District I

Energy, Minerals and Natural Resources

May 27, 2004

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. 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.

SF-079634

7. Lease Name or Unit Agreement Name

McClanahan

8. Well Number

#18M

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 I

:

1470

feet from the

South

line and

925

feet from the

East

line

Section 13

Township 28N

Range 10W

NMPM

County

San Juan

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

5773'

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:

na

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 ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

P AND A ☐

CASING/CEMENT JOB ☐

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 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

Regulatory Specialist

DATE

12/21/2005

Type or print name

Joni Clark

E-mail address:

jclark@br-inc.com

Telephone No.

505-326-9700

For State Use Only

APPROVED BY

[Signature]

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 3

DATE

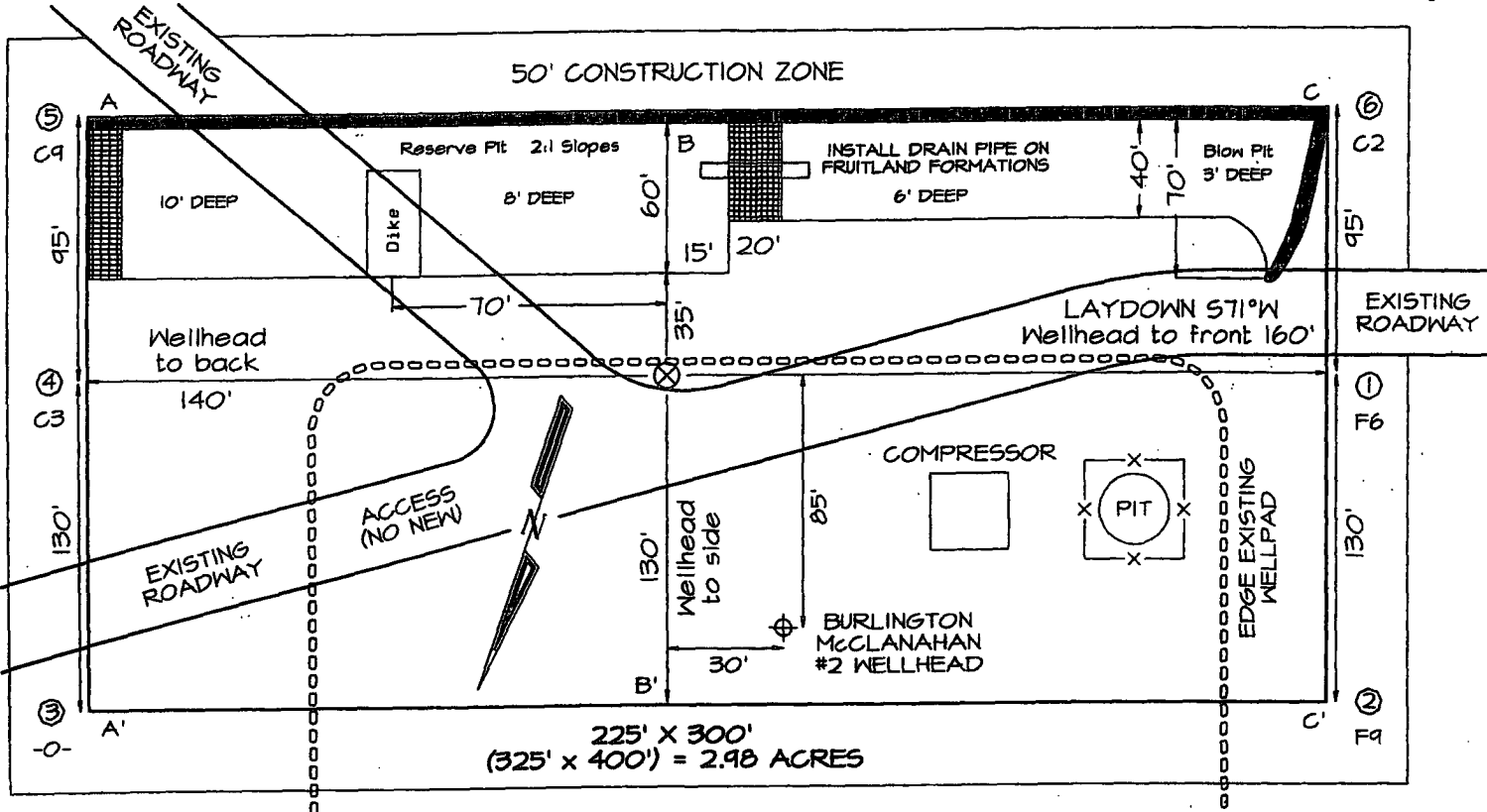
MAR 07 2006

Conditions of Approval (if any):

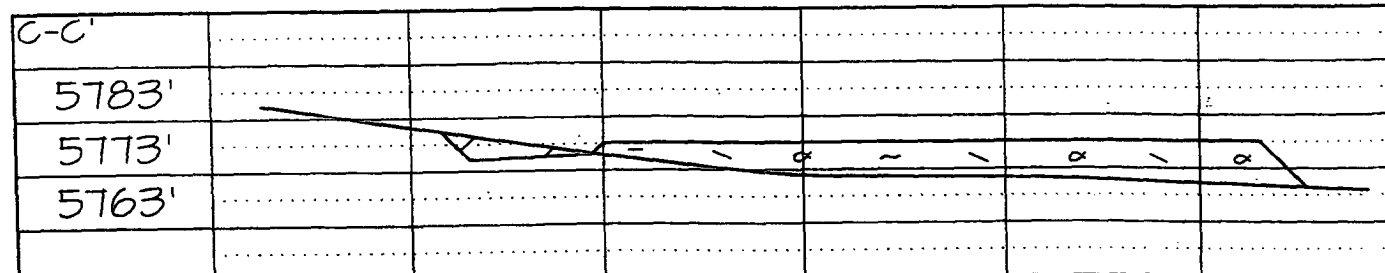
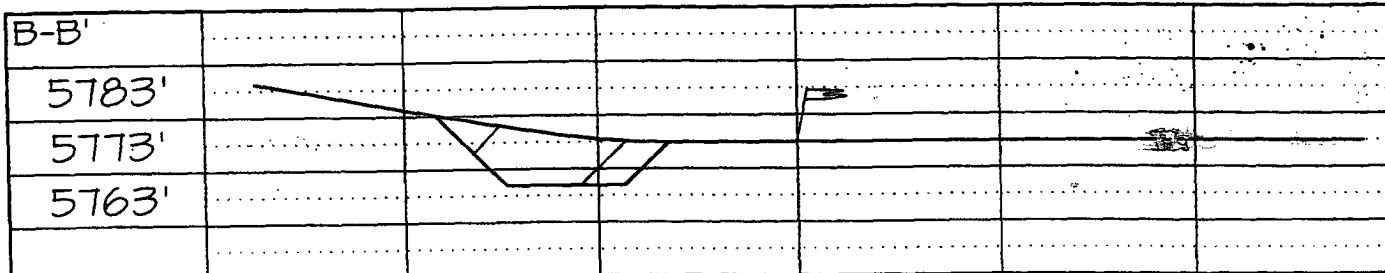
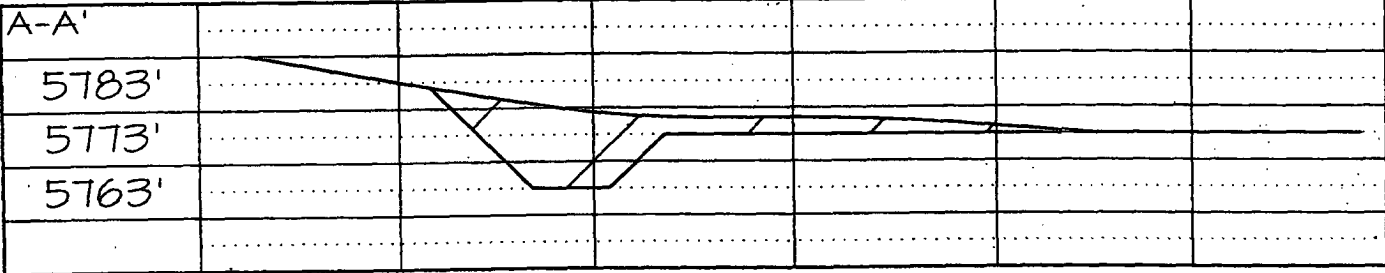
PLAT #1

BURLINGTON RESOURCES OIL & GAS COMPANY, LP
McCLANAHAN #18M, 1470' FSL & 925' FEL
SECTION 13, T28N, R10W, NMPM, SAN JUAN COUNTY, NM
GROUND ELEVATION: 5773' DATE: NOVEMBER 22, 2005

LATITUDE: 36°39'32"
LONGITUDE: 107°50'26"
 DATUM: NAD1927



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: 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

OPERATIONS PLAN

Well Name: MCCLANAHAN 18M
Location: 1470' FSL & 925' FEL, Section Sec 13 T28N R10W
San Juan County, New Mexico
Formation: Blanco Mesaverde/Basin Dakota
Elevation: 5773' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	892'	
Ojo Alamo	892'	992'	aquifer
Kirtland	992'	1750'	gas
Fruitland Coal	1750'	1957'	gas
Pictured Cliffs	1957'	2124'	gas
Lewis	2124'	2509'	
Huerfanito Bentonite	2509'		
Chacra	2925'	3630'	gas
Massive Cliff House	3630'	3675'	gas
Menefee	3675'	4263'	gas
Massive Point Lookout	4263'	4587'	gas
Mancos Shale	4587'	5438'	
Upper Gallup	5438'	6202'	gas
Greenhorn	6202'	6262'	gas
Graneros	6262'	6315'	gas
Two Wells	6315'	6378'	gas
Paguate	6378'	6416'	gas
Upper Cubero	6416'	6429'	gas
Lower Cubero	6429'	6494'	gas
Encinal	6494'	6494'	gas
Total Depth:	6494'		gas

Logging Program:

Mud Logs/Coring/DST

Mud logs - from 6002' (about 200' above Greenhorn top) to TD
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' - 2224'	LSND	8.4 - 9.0	30 - 60	no control
2224' - 6494'	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' - 120'	9 5/8"	32.3#	H-40
8 3/4"	0' - 2224'	7"	20/23#	J-55
6 1/4"	0' - 6494'	4 1/2"	10.5#	J-55

Tubing Program:

<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
0' - 6494'	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.

BOP

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.

BOP

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 174 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 (124 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 sxs Type III cmt w/1% calcium chloride, 0.25 pps Celloflake, 0.2% fluid loss. Second stage: 151 sacks Premium Lite cement with 3% calcium chloride, .25 pps celloflake, 5 pps LCM-1, 0.4% fluid loss, 0.4% sodium metasilicate (321 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 @ 992'. Two turbolating centralizers at the base of the Ojo Alamo @ 992'. 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 279 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 (553 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):

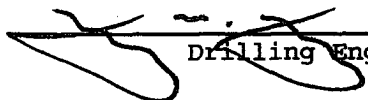
The following equipment will be operational while air/mist drilling:

- 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:

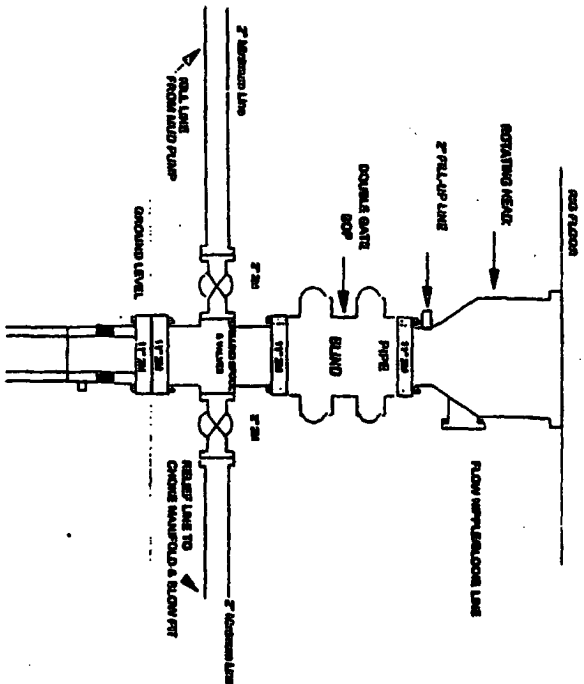
Fruitland Coal	300 psi
Pictured Cliffs	600 psi
Mesa Verde	700 psi
Dakota	2000 psi
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The East half of Section 13 is dedicated to the Mesa Verde formation and Dakota formation.
- This gas is dedicated.


Drilling Engineer

12/21/05
Date

Burlington Resources

Drilling Rig 2000 psi System



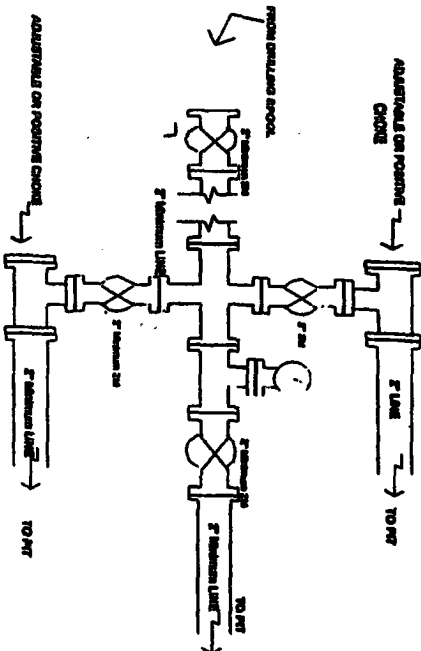
BOP installation from Surface Casing Point to Total Depth, 1 1/2" Bore 10" Round, 2000 psi working pressure double gate BOP to be equipped with blind flange and pipe rams. A 500 psi working pressure ram preventer. All BOP equipment is 2000 psi working pressure.

Figure #1

4-20-01

BURLINGTON RESOURCES

Drilling Rig Choke Manifold Configuration 2000 psi System



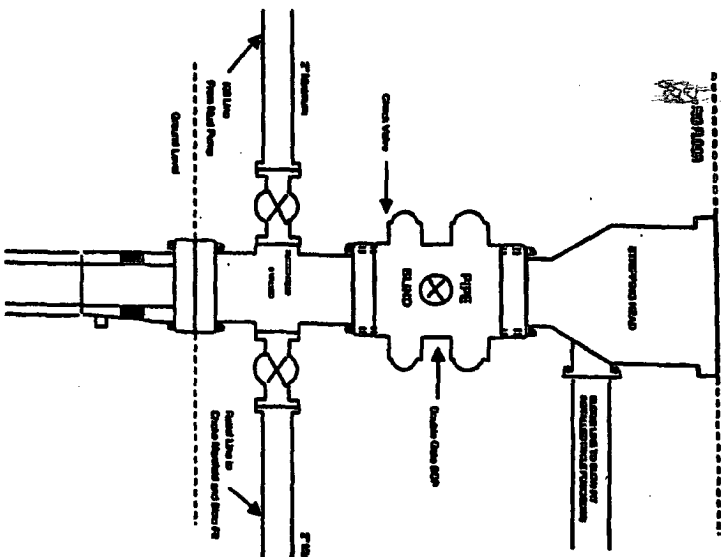
Choke manifold installation from Surface Casing Point to Total Depth, 2,000psi working pressure equipment with two chokes.

Figure #3

4-20-01

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 including 500 psi stripping head.

Figure #2